

An Overview of Federal Government Policies and Programmes for Food Security in Nigeria

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I. Introduction

Nigeria has a vast land area of 91.1 million hectares supported by 1.3 million hectares of water bodies, 3.14 million hectares of irrigated land and a coastal line of over 800 km that is viable for virtually all aspects of agro-allied sector (crops, agro-forestry, fisheries, poultry and livestock). Presently, only 32 million out of the 81 million hectares of arable land is under cultivation and typical farm size ranges between 0.5 hectares and 4 hectares in the southern and northern parts of the country, respectively.

Even though food is seemingly abundant in Nigeria and also in Africa, many citizens still go to bed hungry. We need to interrogate why this scenario is playing out. Despite numerous policies that had been and are still being implemented under various administrations, Nigeria, and Africa at large are yet to achieve food and nutrition security. According to official statistics, Nigeria contributes 58.0 per cent to the global hunger problem. About 14 million go hungry daily in the country. Also, about 12.1 million people are hungry or malnourished. **While some people couldn't sleep because of hunger, others, the rich and well fed, could not sleep because of the fear of the hungry.**

To this end, policies are enacted as a deliberate plan of action to guide decisions and achieve national outcomes. Policies usually consist of principles and rules governing the behaviour of persons in an organisation. Policies prescribe how people in an organisation should act or behave (Asiabaka, 2002). Agricultural (food security) policies are statements of actions and fundamental tools employed in achieving agricultural development (FBN, 1997). A programme on the other hand is a comprehensive plan that includes objectives to be attained, specification of resources required and stages of work to be performed (Asiabaka, 2002). Elaborate plans are called programmes (Kirkpatrick, 1987). Both policies and technology must be effectively deployed to tackle food insecurity. Policy environment must be right for the technology to be effective. The outcome of any effective policy should engender productivity, sustainability and resilience in the food and nutrition sector.

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Policy outcomes, including agriculture and nutrition, *a priori*, depend on how and why policies are designed and interventions implemented. To be effective, development policies are expected to be dynamic, predictable, stable and transparent.

II. Timelines of Major Food Security Policies and Programmes

1. **Post - Independence, 1960-69:** A period of minimal State intervention when agricultural development approach was generally regarded as freewheeling and emphasis was more on export crops (cotton, groundnut, cocoa) marketing. Prices were regulated through activities of the marketing boards.
2. **Period of Widespread State Control (1970-85):** The era was characterised by; centralisation and control of inputs distribution and marketing at the Federal level during 1975 to early 80s; establishment of several fertilizer plants; enactment of agricultural input, subsidy covering fertilizers, seeds, herbicides, pesticides and farm machinery, as well as services, such as land clearing, tractor hiring, land development, irrigation; establishment of a National Seed Service in 1972; promulgation of the Land Use Act Decree in 1978; launching of Agricultural Development Project in 1975; establishment of Commodity Boards in 1977 for cocoa, groundnut, palm produce, cotton, rubber and food grains to replace the marketing board that were in place since 1954; National Accelerated Food Production Project in 1973; introduction of Guaranteed Minimum Prices (GMP); export of agricultural produce by Commodity Boards; establishment of the Nigerian Agricultural and Cooperative Bank (NACB) Limited in 1972, Agricultural Credit Guarantee Scheme (ACGS) and Rural Banking Scheme in 1977.
3. **Structural Adjustment Programme (SAP) - Guided Deregulation (1986-93):** this is the era of major policy interventions with significant impact on Nigeria food security including: subsidy withdrawal; abolition of Commodity Boards; exchange rate deregulation; relaxation of import restrictions but when necessary, partial ban on food importation (e.g. rice, maize, wheat, barley and vegetable oils); refinancing facility by the CBN; tax free window for companies engaged in agricultural production and agro-processing, among others.
4. **Major Agricultural/Economic Reforms (2000-2019):** Significant policy and programme interventions include, among others: Government disengagement from fertilizer procurement and distribution; privatisation of National Fertilizer Company of Nigeria; privatisation of sugar companies;

creation of agricultural production companies for initial operation and subsequent handover to private sector; establishment of Bank of Agriculture; adoption of Economic Community of West African States (ECOWAS) Common External Tariff (CET) on October 2005; Agricultural Credit Support Scheme (2006); Commercial Agriculture Credit Scheme (CACCS) (2009); Growth Enhancement Scheme (2012); National Schools Agricultural Programme (NSAP) (2014); Intermittent Boarder closure during 2015 – 2019; the Nigeria Incentive-Based Risk-sharing System for Agricultural Lending (NIRSAL) (2011) and establishment of NIRSAL Microfinance Bank (2018); and the Anchor Borrowers' Programme.

III. Policy and Programme Overview

Several policies and policy instruments have been developed to change the Nigerian agricultural sector. These were either pre or post Nigeria independence. These instruments have either directly or indirectly targeted the agricultural sector.

III.1 Cooperatives (Established in 1935)

The Nigerian cooperatives ordinance was promulgated in 1935 to regulate cooperative activities in the country. In 1974 a law was enacted which established the Department of Cooperatives. Policy inconsistency and administrative dislocations of the Federal Department in charge of cooperatives affected the progress of cooperatives in Nigeria.

III.2 Commodity Boards (Established 1947)

Commodity marketing boards started during the colonial era with the establishment of First-Generation Marketing Boards as follows: Cocoa Marketing Board in 1947, Palm Produce, Groundnut and Cotton Marketing Boards in 1949. The second generation established in 1954 were the Regional Marketing Boards. They served as buyers of last resort, at fixed prices and held strategic or buffer stock. Inability to pay farmers the subsisting market price was the weak link. Regional Marketing Boards were scrapped in 1986 under the Structural Adjustment Programme (SAP).

III.3 Agricultural Research Institutes (Established in 1964)

Objectives were to increase the yields of seed varieties and enhance fertilizer use, promote extension, and credit services, as well as adaptive research and staff training. A number of National crop centres were established at different locations, for instance Ibadan for rice and maize and Zaria for sorghum, millet and wheat and Umudike for cassava. It started very well, but the wheat programme was affected by a basic withdrawal of political support and lifting of the ban on wheat import.

III.4 Nigerian Agricultural Cooperative Bank, NACB (Established in 1973)

The main specialised Institution for agricultural credit delivery in the country. It was aimed at providing subsidised credit at single digit interest rate without the corresponding subsidy provided by government. There was a dire need to reform the institution for greater efficiency and effectiveness in resource mobilisation and credit delivery. Consequently, NACB was merged with People's Bank of Nigeria and the risk assets of the Family Economic Advancement Programme (FEAP) to form the Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB), incorporated in the year 2000.

III.5 Agricultural Development Projects, ADPs (Established in 1975)

This was a World Bank funded project at the inception. ADP revolution started in 1974 with the establishment in Gombe, Funtua and Gusau. They were set up to provide extension services, technical input support and rural infrastructure services. Though they were set up to perform temporary role in providing extension, the ADPs have literally assumed a permanent status. They are now recognised as the major agricultural development institutions in the states. The decline in oil prices that started in 1982 had a substantial fiscal effect on the Nigeria's revenue and led to shortages of counterpart funding of these projects. The emphasis on modern technology in the ADPs led their agricultural research and extension services to focus on relatively high input technology for sole cropping systems. These systems were not used by most smallholders who used mixed/relay cropping systems as a rational strategy to reduce risk. The **extension methods** changed from the training and demonstration system to the training and visit (T&V) system which was slow, resulting in top down rather than responsive recommendations to farmers.

III.6 River Basin Development Authorities, RBDAs (Established in 1977)

The major instrument of the water resources and irrigation policy was the establishment of 11 RBDAs in 1977 to develop and take advantage of available water bodies in the county for agriculture, fishing, and other purposes. The failure of the RBDAs was due to unnecessary political interference and managerial problems resulting from socioeconomic cleavages which permeated the nation's socio-political, economic, and cultural institutions, as well as inadequate qualified manpower to provide effective leadership at the departmental levels.

III.7 National Accelerated Food Production Programme, NAFPP (Introduced in 1972)

The Programme was designed to, among others; boost yields of food and cash crops for local consumption and export through; facilitating large scale irrigation schemes; promoting grain production on national farms; giving budgetary

concessions to large commercial farmers; and launching integrated rural development projects across the country.

III.8 Operation Feed the Nation (Introduced in 1976)

This was a mass mobilisation and mass awareness programme created in 1976 through 1979 in reaction to the first real food crisis in the country. The Operation Feed the Nation (OFN) under General Obasanjo Administration aimed at maximising national welfare through; increase food production to feed the teeming population; boosting the nation's balance of payments position; taming inflation; and address shortage and poor nutrition. The lack of continuity and shift in approach by successive governments were among the reasons for the failure of this food and poverty alleviation programme.

III.9 Green Revolution (Introduced in 1979)

The core objectives of this programme include ensuring adequate reliable and safe food supplies for a rapidly growing population; becoming self-reliant in basic food requirements; raising and stabilising the national standards of Nigeria; ensuring stability in food commodity markets; and fair and reasonable levels and distribution of income among food producers. The programme focussed on food production, input supply and subsidy, special commodity development, review of agricultural credit guaranteed scheme and increase resource allocation to River Basin Development Authorities (RBDA's). This programme like other previous ones suffered continuity and shift in approach by successive government.

III.10 Back to Land Agricultural Policy (Introduced in 1983)

The principal objectives of the programme include self-sufficiency in food production through the promotion of massive agricultural food production and poverty alleviation; safe food supplies for a rapidly growing population; self-reliant in basic food requirements; and ensuring stability in food commodity markers. The programme introduced modern input for increased agricultural productivity; provided loans to small- and large-scale farmers through the Agricultural Credit Guarantee Scheme (ACGS), commercial banks and the Nigeria Agricultural Cooperative Bank (NACB); and supplied financial incentives to commercial farmers with intent to fund large scale production. This programme was also jettisoned by the government that succeeded the military administration of Buhari/Idiagbon Administration in 1985.

III.11 Directorate of Foods and Roads and Infrastructure, DFFRI (Introduced in 1986)

DFFRI was established in late 1986 to allocate the rate of infrastructure development in the rural areas. It was originally designed as supra ministerial body for channelling the proceeds of the liberalised foreign exchange market for rural development. The main aims/objectives were provision of food to feed the teeming population; open up the rural areas in order to reduce transport inhibitions and provide motorable feeder roads; and provide basic, social and economic infrastructures like electricity, portable drinking water and other essential facilities to make rural areas very attractive to inhabit. However, lack of funds and commitment limited the extent of infrastructural provision in the rural areas. The government rural infrastructural programmes were embarked upon without effective programme of action and appropriate institutional arrangements for their execution.

III.12 National Fadama Development Project, NFDP (Introduced in 1993)

This was a comprehensive action plan aimed at addressing the challenges of poverty in Nigeria through; sustainable increase in the incomes of Fadama users using simple and low-cost improved irrigation technology and focusing on crop production, processing, preservation and conservation, and rural infrastructure. The project was significantly supported and financed by the World Bank. Fadama Project partly accounted for a boost in the food security of the country in late 1990s.

III.13 National Agricultural Land Development Authority, NALDA (Established in 1991)

The NALDA provided strategic public support for land development, promoting, and supporting optimum utilisation of Nigeria's rural land resources, providing gainful employment opportunities for rural people as well as raising incomes and improving general living standards in rural areas. The NALDA approach rather than reduce the direct public provisions of goods and services which could be provided by the private sector instead did not stop the public provision of goods and services. Many of NALDA's services were duplications, albeit on a more intensive basis of services provided by the ADPs.

III.14 Presidential Initiative on Cocoa, Cassava, Rice, Livestock, Fisheries, Vegetables (Introduced in 1999)

These were initiated by the Obasanjo administration to improve Nigeria's food production in line with Vision 2020. The strategy is to attract the attention of the highest level of political authority for special intervention in the commodity sector. Weaknesses of poor funding and lack of institutional arrangements for implementation marred the successes recorded.

III.15 National Agricultural Policy (NAP) under the National Economic Empowerment and Development Strategy, NEEDS (Introduced in 1999)

NEEDS main objective was to support systematically a reduction in the role of government in direct production of goods and strengthening its facilitating and regulatory functions, NAP broad objectives include:

1. The achievement of self-sufficiency in basic food supply and the attainment of food security;
2. Increased production of agricultural raw materials for industries;
3. Increased production and processing of export crops, using improved production and processing technologies;
4. Generating gainful employment;
5. Rational utilisation of agricultural resources, improved protection of agricultural land resources from drought, desert encroachment, soil erosion and flood, and the general preservation of the environment for the sustainability of agricultural production;
6. Promotion of the increased application of modern technology to agricultural production; and
7. Improvement in the quality of life of the rural dwellers.

III.16 Agricultural Transformation Agenda, ATA (Introduced in 2010)

ATA Agenda promoted a business-focused agriculture sector – Agriculture as a business and not a development activity. It promoted a private sector-led agricultural growth for food security, creation of jobs and shared wealth. It focused on youth and women and value chains in which Nigeria has comparative advantage. Emphasis was on strategic partnership to stimulate investments in a market-led agricultural transformation through state and local government, inter-ministerial collaboration, private sector, farmer groups and civil society. Key features of ATA include GES (Growth Enhancement Support Scheme) and Commodity Value Chain (CVC) which had been acclaimed to be the most successful. ATA also established several Staple Crops Export Processing Zones.

Key Constraints and challenges of ATA: Insufficient access to improved variety seeds; Credit access particularly for smallholders was weak; Growth in food production was limited due to gaps in input supplies; Limited investment inflows into infrastructure and midstream logistics and growth in food production remained due to gaps in input supplies e.g. rice; hence rice imports still exceeded \$1 billion per annum, as well as refusal by state governments to recognise input suppliers approved by the Federal Government under the GES scheme.

III.17 Agriculture Promotion Policy (APP): Agriculture policy and strategy document of the President Buhari Administration (Introduced in 2015)

Federal priorities of APP are: Food Security; Import Substitution; Job Creation and Economic Diversification. APP focused more on: productivity enhancements; access to land; soil fertility; access to information and knowledge.

Agriculture Promotion Policy (APP): The eleven principles:

1. Agriculture as a business: Government-enabled, private sector-led engagement as the main driver of the sector;
2. Agriculture as key to long-term economic growth and security;
3. Food as a human right;
4. Value chain approach;
5. Prioritising crops;
6. Market orientation;
7. Factoring climate change and environmental sustainability;
8. Participation and inclusiveness;
9. Policy integrity;
10. Nutrition sensitive agriculture; and
11. **Agriculture's linkages with other Sectors** - focusing policy instruments on the connected relationship between agriculture and other sectors at federal and state levels, particularly industry, environment, power, energy, works and water sectors.

III.18 The National Agricultural Technology and Innovation Plan (NATIP)

The National Agricultural Technology and Innovation Plan (NATIP) is coming on the heels of APP that was implemented between 2016 and 2020. It is crafted to achieve sustainable economic and social development through public and private sector investments in agriculture and rural development while addressing the needs of women, youth, and persons with special needs. NATIP will modernise Nigerian agriculture to attain food and nutrition security; export promotion and improving the livelihood of the rural inhabitants, through efficient use of appropriate technologies; research and innovations; development of crops and livestock value chains. The key components of NATIP include: generation and promotion of agricultural technologies, research and innovations for production, processing and marketing of crops, fisheries and livestock; establishment of mega agency to address agricultural funding inadequacies; reviving and strengthening extension service delivery; increasing access to agricultural finance and promotion of agricultural insurance scheme; promotion of Climate Smart Agriculture (CSA) and Organic Agriculture (OA) for improved income and agricultural productivity; increasing access to agricultural land and productivity enhancement and developing value

chains of key crops and livestock enterprises through the establishment of Special Agro-processing Zones (SAPZs); digitisation of the agriculture sector, among others.

NATIP comprised many policy actions including:

1. Establishing a regulatory frameworks and institution that will encourage and guide different contract farming arrangements for priority crops and livestock sectors;
2. Promoting value chain of export crops with particular emphasis on cocoa, soya beans, sesame, cotton, and groundnut;
3. Promoting the value chains of high valued vegetables (onions, garlic, ginger and tomato) and economic tree crops (cashew nuts, gum arabic, mango and oranges);
4. Promoting the value chains of poultry, catch/aquaculture fish, and dairy products;
5. Establishment of one-stop farmer service centres; and
6. Establishing specialised crops processing centre.

IV. Key Development Challenges

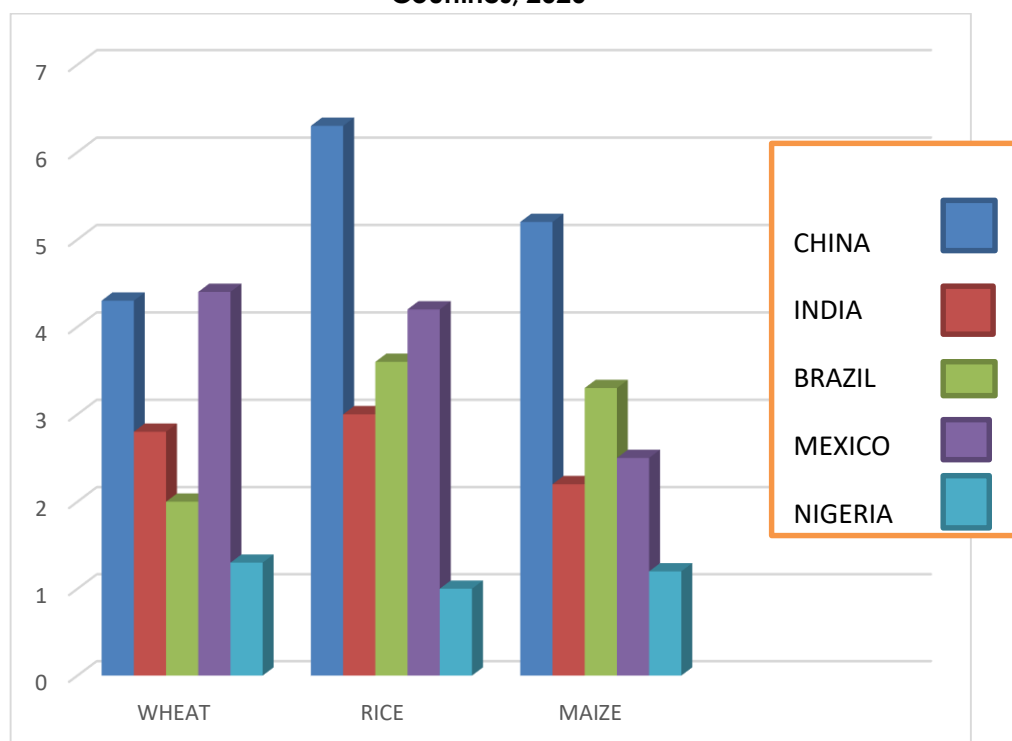
Inconsistent agricultural policies; dearth of reliable planning statistics; ageing farmers population; poor uptake of research results; seed stock-poor yield potential; rain-fed production; low irrigated land area (only 220,000 hectares as against 3.14m hectares); subsistence level production (90.0 per cent); agricultural land ownership; no collateral value; fertilizer and agricultural chemicals supply problem; poor quality; low mechanisation; inappropriate technology; extension – poorly resourced; low staff morale; poor credit access and management; poor rural infrastructure (power, roads, water supply); livestock and fishery poor quality feed; livestock grazing reserves – gazetted but undeveloped; fishery piracy; poor exploitation of Tuna stock; storage and preservation poorly developed; processing very weak and largely traditional; as well as weak and inefficient marketing structure.

Furthermore, Nigeria imported about US\$3.0 to US\$5.0 billion worth of food annually, especially wheat, rice, fish, and sundry items including fresh fruits; wastage (post-harvest losses) levels remain high; weak access to credit by smallholder farmers; heavy fiscal burden resulting in sharp rise in indebtedness to banks, (especially by agro-dealers who obtained loans from banks to finance input purchase and distribution but were not paid on time by the government, who is responsible for paying 50.0 percent of what the farmers should pay the agro-dealers under the existing subsidy programme); illegal food imports; and production that is not market driven.

Consequences of the Challenges:

1. Nigeria is yet to achieve food self-sufficiency and food security;
2. Nigeria spends US\$5.0 billion on food import annually; and
3. Nigeria agriculture is still at subsistence level, with low productivity and poor return on investment.

Figure 1: Benchmarking of Crop Yield (Mt/Ha) in Relation to Other Developing Countries, 2020



Source: Author's compilation.

V. Lessons Learned from Reviews of Policies and Programme Implementation in Nigeria

1. Weak implementation and follow-up mechanisms;
2. Input supply policy, particularly fertilizer and seeds have consistently failed; and
3. Climate smart agriculture needed to cope with effect climate variability, nutritive sensitive.

VI. Way Forward in Policy and Programme Interventions

To galvanise the outcome of recent policy and programme interventions for sustainable impact of Nigeria food and nutrition security, attention should focus more on:

- Policy of 10.0 per cent cassava inclusion composite floor;
- Bio-fuel, Methanol fuel;
- Agricultural extension policy that involves private sector for effective delivery of extension services;
- Sugar levy with proceeds extended to both green and brown activities in sugar industry;
- Gender policy – to unlock the potentials and contributions of women in development;
- Value Chain Approach to development;
- Good Agricultural Practices (GAP);
- Agro Zero Reject Initiative of FMARD;
- Food Safety Bill which is at different stages of passage at the National Assembly;
- Warehouse receipt system;
- Agricultural Mechanisation;
- Staple Crops Agro - Processing Zones;
- Agricultural financing policy that provides financing options and boosts access to loan and credits at affordable rates;
- Import substitution– this policy is aimed at discouraging importation of commodities and products in which Nigeria has comparative advantage in production and processing;
- Implementation of tomato policy – commodities and products including tomato paste/concentrate, tropical fruit concentrate, cassava starch, glucose, among others. Nigeria's import of tomato concentrate is estimated at ₦18.0 billion annually which is saved for the country. Import substitution policy influences the financing of investment in agriculture which skews in favour of the focal commodities being promoted under import substitution policy of the Government;
- Tariff and surcharge – appropriate tariff and surcharge are levied on a few commodities partly to discourage importation and encourage local production and processing. The commodities in this category include: rice, sugar, maize, among others. The tariff regime being implemented is having positive effects in the form of increase in local production;
- Zero duties on agricultural equipment and machines – This policy facilitates the importation of critical agricultural equipment and machines which are not produced or manufactured in Nigeria. This is with a view to reducing cost

of production and processing. Tractors and processing machines are in this category;

- Subsidies - Subsidies are granted on a number of agricultural inputs and products to support local farmers particularly the small-scale producers. Subsidies are structured to reduce cost of production of smallholder farmers who are resource poor. The input on which farmers receive subsidies include seeds, seedlings, agro chemicals, agricultural loans and credits;
- Insurance policy – this is instituted to guard against farm risks making farmers less exposed to vagaries of weathers, fire, floods, among others;
- Climate Smart Agriculture;
- Public Private Partnership (PPP) - the policy provides specific interventions and financing in projects and programmes spelling out the critical roles and responsibilities of identified stakeholders including Governments, Non-governmental Organisations and private investors;
- Freezing foreign exchange for a few commodities – the forex for the importation of a number of products are constrained to the parallel market. Tomato concentrate is among the commodities in which the importers obtain forex at the parallel markets;
- Anchor Borrower Programme with collaboration with technical sectors;
- Waivers of tariff and levies – the indigenous companies with high local content are granted special concessions and waivers on tariffs on imported goods to support local production;
- More investment in specialised financing institutions that are providing loanable funds and credits to actors in produce value chains at concessionary rates including, BOA, BOI, CBN and NIRSAL; and
- 10 - year farm budget for agriculture for consistency and effective implementation of policies and programmes.

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