FOOD IMPORTATION AND AGRICULTURAL DEVELOPMENT IN NIGERIA: WHITHER RURAL DEVELOPMENT?

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ABSTRACT

No country can ever develop without integrated rural structures. Unfortunately, rural areas in Nigeria today are usually ghost areas as nearly all the youths have out-migrated, elderly neglected and agriculture has been traded off. The rural areas that used to accommodate over 70 percent of Nigerians has failed in this regard and agriculture that used to employ over 70 percent of Nigerians and used to provide over 70 percent of the foreign exchange earnings of Nigeria has collapsed. Nigeria that used to feed other nations can now not feed itself as it is now one of the biggest importers of food, most of which it can produce and even export. Nigeria spent at least N64 billion on food import in 2010. As at third quarter of 2011, the country has spent N635 billion on the importation of wheat; N356 billion on rice; N217 billion on sugar and N97 billion on fish imports. On the average, Nigeria spends about N1.8 billion on wheat and N1 billion on rice importations daily. Regardless of these huge amounts, at least 53 million Nigerians (about 30 percent) still go hungry while about 90 percent live in poverty of under $2 a day, most being rural dwellers. A dangerous flip side of the rural and agricultural downward trajectories is policy gaps. Thus, this paper explores the contours of food importation, agricultural positions, related policy challenges and implications for sustainable rural development in Nigeria. Strong analytical frameworks were deployed; recommendations made just as reliable conclusions were reached.

Keywords: Food importation, agricultural development, rural development, Nigeria.

INTRODUCTION

No country can ever develop without integrated rural structures because rural structures remain the bedrock of the entire national system. Unfortunately, rural areas in Nigeria today are usually ghost areas suffering absolute neglect and agricultural retardation. Nearly all the youths have out-migrated, elderly are neglected and agriculture has been traded off largely. The rural areas that used to accommodate over 70 percent of Nigerians has failed in this regard as rural-urban migration continues unabated in manners that suggest people abandoning very sustainably means of livelihood (agriculture and agro-business) for urban uncertainties. Agriculture that used to employ over 70 percent of Nigerians and used to provide over 70 percent of the foreign exchange earnings of Nigeria has collapsed and no one seems to bother in real terms except for policy and government window dressing. Nigeria that used to feed other nations can now not feed itself as it is now one of the biggest importers of food, most of which it can produce and even export. Nigeria spent at least N64 billion on food import in 2010 (FAOSTAT, 2010).

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urban crimes as disillusioned youth most of who migrated from rural to urban areas take solace in any available means of survival.

Because food is central to survival in every society, food security is by every standard, crucial and focal to perpetuation. When food becomes ‘insecure’ – unavailable and affordable domestically (quality and quantity), several means are employed, to stem the tide of hunger and starvation, wherein food importation is core. More technically, food insecurity refers to deficits or shortfalls in actual per capita daily calorie intake below the minimum per calorie intake recommended by Food and Agricultural Organisation and World Health Organisation for maintaining the human body-2450kcal/day (Rosen and Shapouri, 1994). Food importation is one aftermath and recipe for food insecurity, which implies that food produced within a country, cannot match food demand. In 2008, soaring farm product prices adversely affected the whole of the world’s population and aggravated the vulnerability of the poorest countries. Climate change, water scarcity, impending scarcity of phosphorus for fertilisers and the competition for land for bio-energy production are contemporary challenges. Age-long challenges of land degradation, expansion of cities and residences, population growth which has influenced increasing demand for food, are still recurring issues.

Pre-Food Shortage: rising food imports veritably signify that domestic production and supply of food is disproportionate to demand. According to Abdullahi (2008), at independence up till the mid 1970s there were strong trends that Nigeria was, and could remain, largely a self-sufficient nation in terms of the food requirements for its citizens. Before the mid 1970s, Nigeria produced all its food needs and surpluses for its promising agro-industries, and for exports. Agricultural imports were very small for the special taste of expatriates and some Nigerians who acquired habits for exotic foreign foods and could pay for them. From less than N1billion in the early 1970s, Nigeria’s present food import bills stand at a staggering N400 billion per annum made up of such items like sugar, rice, milk, wheat, maize, beef, poultry, fish etc. Ogen (2003) describes the fact that the Nigerian economy, like the Brazil, during the first decade of after independence could reasonably be described as an agricultural economy because agriculture served as the engine of growth of the overall economy. Nigeria was notable as the second largest producer of cocoa, largest exporter of palm kernel and largest producer and exporter of palm oil. Nigeria was a leading exporter of cotton, groundnut, rubber hides and skins. The agricultural sector contributed over 60% of the GDP in the 1960s and despite the reliance of Nigerian peasant farmers on traditional tools and indigenous farming methods, these farmers produced 70% of Nigeria’s exports and 95% of its food needs (Lawal, 1997).

According to the United States Department of Agriculture - USDA (2012), Africa has turned from a net exporter of agricultural products to a net food importer. In the 1980s, prices of raw commodities (mainly coffee, cocoa, and spices) dropped rapidly and local food production stagnated, since then agricultural imports have grown faster than agricultural exports. In 2007, Nigeria’s imports reached an all-time record high. Emerging from statistics, between 2006 and 2007, a trend analysis of food importation among nine countries (Afghanistan, Albania, America Samoa, Angola, Antigua & Barbuda, Niger, Nigeria and Norway), revealed that Nigeria ranks the second highest importer of food (in both years added together) and the highest in 2007 only (FAOSTAT, 2010). Further, Ivory (1990) explains, that to a large extent, the decline in the relative importance of
developing countries in world agricultural exports reflects a failure of agricultural production in Africa. It has been argued that, in the 1970s, developing countries’ food imports rose because of a neglect of domestic food production for varied reasons, including export-cropping. But consequent re-orientation channelled at the need to increase domestic food production, in effect made import growth to drastically reduce in the 1980s. Also, it was believed that, higher income growth and lower income growth in the 1970s and 1980s can be factors that influenced lower food import and high food import respectively.

**Reasons for food insecurity and addressing it through food importation**

Substantively, food insecurity in the world is an age-old venture of mankind and the emergence of new threats to the security of food is on a constant rise. Significantly, Manitra, Massimo and Marianna (2011), discussed some of the direct and somewhat technical explanations of the weak supply responses from the domestic market side and has focused on issues such as the lack of access to technology and inputs (e.g. financial, physical, and human capital; land; fertiliser; and energy) and weak market and trade institutions. But the reasons why these technical problems occur often stem from the countries’ economic and agricultural policies (Frisvold and Ingram, 1995). From the foregoing, the agricultural sector in Nigeria has suffered considerable setback in terms of policies and ‘imported’ agricultural practices, which had been intended to increase productivity. Unfortunately, these measures have altered the course of agricultural production and development in Nigeria. Although Nigeria has for sometimes been struggling with a diversification of her economy, agricultural production has refused to rise. In fact, the state of productivity can be described as low and relatively stagnant (Ehui and Tsigas, 2005). Various authors have identified factors – ranging from trust issues about the sustainability of modern practices, policy gaps, educational shortcomings of farmers, infrastructural defeats and the conflict of production interests that have been colonially designed, which has plagued Nigeria’s production capacity. At minimum, the coincidence of the period of lack of economic progress and the period of poor productivity growth invites further explorations about the role that current and past policies play in shaping Africa’s food production and trade.

If for instance available technology has not been much used, it is no exaggeration to claim that it is because farmers have not been trained enough as a country’s general policy has not allotted enough resources to the reinforcement of agricultural research and extension. In the midst of these contradictions in Nigeria, the vision 2020 roadmap for development, while addressing agricultural development, emphasizes technological inputs. The vision projects that the agricultural sector will be technologically driven by the year 2020. This is intended to drive profitability, environmental cum socio-economic sustainability and to meet competitive standards. Regardless of the vision, the Nigerian situation has not still lived up to the promises. Similarly, production and export taxes may have discouraged farmers from adopting new technology and increasing production. It is therefore important to review the roles of economic and agricultural policies in explaining not only the low level of productivity but also the reasons for persistent food-trade deficits in many low-income countries in Africa (Manitra et al., 2011).

According to the African Leadership Forum (1989), fragility of the tropical African soils, the blind adoption of technologies that are
inappropriate to the African production environment are largely responsible for the dwindling agricultural fortunes. Agricultural researches have been ineffective because in most cases, researchers did not build on the practice and experience of the people and the farmers whose problems they were to address. Consequently, many of these researches did not fully incorporate the enormous amount of human capital embedded in traditional farming skills. A central point in this, taking Nigeria as an example, emanates from a subsistence-ideology of agriculture, the efforts of various Nigerian governments has always seen and treated agriculture as a development issue. Hence, there is a need to shift the emphasis to agri-business (Nwajuiba, 2012). This has made research capacity to be underestimated and not fully harnessed. To this end, research recommendations that were inconsistent with traditional farming practices were normally rejected by traditional farmers who had knowledge and experience of the region and the crops and are normally sceptical of young educated researchers whose advice they regard as immature and fraught with danger. On the other hand, researchers have not been sufficiently motivated. As a result, national agricultural research systems have experienced a massive migration to the universities and the private sector, not to speak of those who went abroad for greener pastures and for fulfilment in the circumstances of poor remuneration and inadequate equipment and materials for research at home.

Appropriate and affordable technologies have therefore not been adopted. Other constraints of national agricultural research systems include defective institutional structures, which have discouraged active integration of research training and extension service, the poor funding and staffing of research institutes and the failure to effectively disseminate even the limited research results that are available. In Nigeria, the gross neglect of rural infrastructures and rural development has resulted in fragmented agricultural production and agricultural markets, heavy post-harvest losses and a general strangulation of production. The limited research results have not been able to reach farmers because of inaccessibility, while price incentives have not reached the farmers because of numerous market intermediaries. Poor and woefully deficient rural road networks also affect harvesting and transportation of agricultural products to the market.

The threat to food security is food insecurity. The European Commission (2009) identified poverty, insufficient access to health and education services, as well as poor governance, as the main causes of chronic food insecurity. These also include the general understanding in terms of environmental damage; climate change and the mismanagement of natural resources (desertification, unstable ecosystems). Also, Nwajuiba (2012) added that in Nigeria, insecure land tenure, inappropriate policies, programmes and projects, scarcity of funds and credit, labour scarcity despite overall high unemployment and stagnant technology have had crippling effects on food security. According to FAO (2008), it was reported that in terms of capital allocation to agriculture in Nigeria, it was an average of 4.74 percent from 1970-1980.

But, from 1980-200, it rose to 7.00 percent and 10 percent from 2001 – 2007, though revealing an increase, but still falls short of Food and Agricultural Organisation (FAO) recommendation that 25 percent of government capital budget be assigned to the agricultural development capital budget. The National Technical Working Group (NTWG) on Agriculture & Food Security (2009) explains that the share of Agriculture in Federal Government’s annual budget ranges between 1.3%
and 7.4% from 2000 and 2007 and this has consistently fallen below the Maputo Declaration of 10% share of total country budget for agriculture, an indication of the low priority previous governments had placed on agriculture. DFID (2005), also reported that the largest category of private investors in Nigerian agriculture consists of the multitude of small holder farmers, scattered across the country. According to Iganiga and Unemhiliin (2011), Nigerian agricultural sector is invariably heavily mobilised by small-scale owners whose economic capabilities are considered uneconomic, fragmented and infinitesimal. This clearly births low productivity, low income and diminutive investment.

Conceiving food importation is a recognized alternative for mitigating food insecurity, Abdullahi (2008), posits that in Nigeria, there appears to be two options of dealing with food shortages: Importing the shortfalls as has been the case in the last two decades and Strategic food reserve, which has been the acclaimed policy of Federal government in the past two decades. Regrettably the implementation of this policy leaves much to be desired. The federal strategic food reserve in the past decade hardly ever exceeded 200,000 metric tons at any point in time. In fact for most of the time the so – called reserve never exceeded 100,000 metric tons. This is hardly sufficient for 100,000 households for just one week. The small buffer stocks expected to be kept by State and Local Governments would not make any significant difference even at local levels. All this means that Nigeria’s so –called emergency food reserves hardly exist in reality. They are neither enough to deal with any serious emergency nor useful as a tool for price stabilization in times of unexpected and unacceptable rise in food prices. Comparing India’s 5 million tons of food reserve to Nigeria 0.1 million ton speaks volumes of how far away we are from achieving a re-assuring position in our food security policy.

Across board, in Nigeria, post harvest losses are increasing (20 – 40%), because harvesting, processing and storage techniques are inefficient; as a result, supply of food is unstable (Abdullahi, 2008). Domestic food production had been on the rise, but the demand for food has obviously overshadowed supply. While food shortfalls increased, food import too was increasing. Despite institutional support, budgetary and fiscal support from the 1960s/1970s through to the NEEDS programme in 2003/2004, it is imperative to reflect that food production had been on the rise but food deficit had constantly grown at 4.1%. Invariably it signifies the fact that government effort towards food production is considerably low and ill sustained.

**Food Importation as solution to Food Insecurity and Impact upon Rural and Agricultural Development: Concluding Reflections:**

If there will ever be development in Nigeria, the rural areas must be integrated. Agriculture must also be integrated and sustainably re-integrated. Most Nigerians are rural dwellers even though urbanization is rising. Agriculture is the only sustainable sector and must be leveraged upon as even oil that is being dependent on for foreign exchange earnings in the country can never drive sustainable development. Regrettably and dangerously too, the oil is being speculated to dry up soon. The true point is that it may soon dry up!!!!!!If the rural agriculture and agro-resources are not developed how will rural be developed? Definitely No as the real driver of rural development in Nigeria and national development as a whole will never be oil but agriculture and agro-business. Oil will at best further breed corruptions as proceeds from oil are seen as free money as against proceeds from agriculture that are
seen as reward for hard work. The time to leverage on rural resources including agriculture and natural sites is now. Agriculture but also natural economics: tourism in rural areas. Agriculture is so central to Nigerian societies that the Yoruba have a proverb that says *Igbe lowo wa, eje kawa lo sibe* “it is in the bush that you have money let us go and find it there” and *Eje ka lo soko ohun abule* “let us go to the farm and the village”. The cities subsist on foreign economy and rural economies and can hardly be sustained. The Nigerian original economy is in the rural areas. Integrated economy through rural sector for integrated rural development is the only way out. Development in the city without the rural areas will never bring development and will never translate into sustainable development. For there to be sustainable development: food importation must be trimmed and gradually stopped. Agriculture must assume its original pivotal place. Rural areas are withering and fast becoming ghost communities with disillusioned subsistence farmers at the moment and the trend must be reversed. Sustainable development depends on rural integration and agricultural empowerment. Natural and cultivated economics must be well leveraged upon too.

The temporary relief given by food importation in the 1970s had become a cankerworm to the development of the agricultural and rural sector of the country. In 1982, Nigeria imported 153,000mt tons of palm oil at the cost of $92 million. Between 1973 and 1980, a total of 7.07 million tons of wheat, 1.62 million tons of rice and 431,000 tons of maize were imported (Alkali, 1997). According to Lawal (1997), in 1994, the agricultural sector performed below the project 7.2 percent of budgetary output. Nigeria has been spending an average of $60 million on the annual importation of rice. On this basis, a culture of over reliance upon food importation has brought untold neglect to the agricultural development of the country. Certain scholars have related this to the problem of increased urbanization, which is a product of the discovery of the crude oil in the 1960s – veering from agricultural dependency to extractive dependency. Emphasis for agricultural production was relegated to the back ground. While discussing the terms of *unintended consequences*, Idachaba (2009), drew from Robert K. Merton’s “The Unanticipated Consequences of Purposive Social Action”.

He explained that, the unintended beneficiaries of food and agricultural policies have tended to be few (relative to intended beneficiaries), well connected and powerful, while the victims (losers) of unintended consequences tend to be many, widely diffused and more difficult to mobilize to confront unintended beneficiaries. Further, Akpan (2009) argues, based on the extreme emphasis on oil production, which he described to have influenced the neglect of the agricultural sector. The adopted mono-cultural economy has facilitated a decline in the production of food for the teeming population in Nigeria. Akpan (2009) opines that the high imports of food have contributed significantly to shocks in food supply, but not significant in determining food security. The NTWG on Agriculture & Food Security (2009) also observe, that food importation has not been able to sufficiently meet the food need of Nigeria (although the country does not have to rely on food aid, because of increased domestic production), food importation has only motivated a declining national food self-sufficiency ratio.

Food importation in the 1970s had aborted the role of agriculture, wherein fiscal incentives, credit structures and government support facilitated greater efficiency in the rural areas (Ogen, 2007). Through equal social benefits, people-centred
agrarian reforms, improved quality of life in rural areas, the movement from rural to urban was strongly altered. The oil economy, which facilitated increased national income and higher import capacity of Nigeria, gave rise to the increased food importation era. This enabled the collapse of agricultural development, which had created the food security gap. Agricultural and Rural development, in the face of increased importation and the increased reliance on crude-oil have been dealt a severe blow. Nigeria had been unable to feed its population, develop the capacity to process agricultural raw materials both for local industries and for export.

Development economists have continually assigned minor role to agriculture in economic development and have always emphasized industrialization as synonymous with economic development (Ogen, 2002). There is a dearth of agro-based industries, which are capable of processing raw-materials in the most efficient manner. Hence, the possibility for agriculture to create employment opportunities and additional income is jeopardised. Increased importation of food has crushed the growth of small holders, because they cannot effectively compete with the prevailing market price of import commodities. The quality of life in rural areas has received little or no attention, hence rural settlement has become regrettably deserted and emptied. Young and capable hands have moved to urban centres, since agriculture has become very unattractive, infrastructure is dilapidated and social services are almost next to nothing. The perception of survival in strongly tied to habitation in urban centres, therefore, increasing population storm the cities from the rural areas.

Importation of food has negative implications for local production, hence dividing the interest of government. Government spends massively on importation and less on price incentives, which will have impact for increased local production and taste for locally produced food items. Agribusiness is therefore giving little or no significance. Many agricultural markets have become Oligopsolistic where an increase in retail price (due for example to the reduction of price distortions) may not benefit producers. In this case, any increase in price will likely be retained by agents elsewhere in the marketing chain (middlemen, manufacturers, wholesalers or retailers). Food producers are often price takers, and when they perceive no benefit from a price increase, their incentive to increase production declines further (Barrett and Mutambatsere (2008).

Because of increased policy failure, sabotage and inconsistency, the blue-print for Nigeria’s development has not adequately internalized a multi-cultural economy. Despite strong the human potentials of 140 million people, which guarantee food production and market, suitable agro climatic conditions for sustained year round agricultural production and availability of export market. And diverse and rich vegetation capable of supporting a heavy population of livestock, 79 million ha of arable land, 267.7 billion m3 of water for irrigation, 14 million ha of surface water, 57.9 billion cubic meters of underground water and 3.14 million ha of irrigable land (NTWG on Agriculture & Food Security, 2009). To this end, continued dependence on food importation, has not been found to ameliorate food challenges. Hence, no amount of food imported can meet the basic need, which means that Nigeria must look inward to meet her food security needs because population – which is a major determinant of productivity and consumption, is on an all-time rise. Nigeria can be described as over-dependent upon food importation. International Labour Organisation (The Punch, Nov. 13, 2008), explains that our
leaders are more interested in importing even those food items that can be produced in the country e. g. rice. This negates Adam Smith’s Theory which postulated that a country should not import commodities especially food items that can be produced locally. For instance Nigeria spends over $3 billion annually on the importation of staple food such as wheat, rice, sugar and fish (NTWG on Agriculture & Food Security, 2009).

To this extent, agricultural development may be held synonymous with rural development. When agriculture is addressed in policy and actions, taken as a business and practiced as such, rural development will be engendered. Government should invest heavily in several projects across the agricultural value chain, putting in place an enabling environment that is conducive for high agricultural growth, as well as promoting private sector involvement and investment in agriculture. Agricultural developmental projects should be implemented in Nigeria, it should be ordered to promote a well integrated structure of mixed (crop-livestock farming) against the existing mono-cropping system of agriculture. Information Communication Technology is central to agricultural development – weather reports, crop monitoring etc.

Manpower development and infrastructural development are all required to accelerate and sustain the development of the Nigerian agricultural sector. Consequently, government investment in agriculture must increase very significantly to over 10% (Maputo Agreement) in the next 10 years to strengthen the core drivers of agricultural development. Increased agricultural production and conservation of land can both be achieved through the adoption of biotechnology. Mono culture, organic farming, green house farming, selective breeding, dry land farming and use of remote sensing to aid agricultural activities are some of the improved farming techniques that are leveraged by some of the leading agricultural producing countries to enhance their agricultural development.

The linkage between agriculture and industry in Nigeria is still very weak. A good synergy between agriculture and industry will involve the existence of processing firms for perishable and marginal products for the purpose of value addition in order to reduce losses (currently estimated at about 15–40% [NTWG on Agriculture & Food Security, 2009]), enhance food security, stimulate production and increase employment generation. More so, agriculture still employs over 70% of the labour force in Nigeria. This is mainly at the primary production level because of low mechanization and small holding. All these are targeted at agricultural and rural development, to foster national development and to put Nigeria on the path of food self-sufficiency, which is the first step and food security being the second imperative.

REFERENCES


