AGRARIAN CRISIS AND LARGE SCALE CAPITALIST FARMING IN NIGERIA: ORIGINS, DYNAMICS AND FOOD SECURITY IMPLICATIONS

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Abstract
Agriculture and food security have been in a precarious state in Nigeria during the past three decades of its development experience. Governmental policy response to address the situation had been focused on inducing technical change overtime and the grooming of a new class of large scale capitalist farmers to transform the productivity levels of the sector. Even though significant changes have been put in place, thanks to massive investment by the state in agriculture, the food security situation in the country has not been adequately addressed. Most producers at the lower small scale level are still saddled with poverty and hunger. This calls for a policy rethink that is twin-faced in the direction of support for both small and large scale farming.

Key Words: Agrarian Crisis, Food Security, Large Scale Farming, Small ScaleFarming.

Introduction

"As far as anyone could look ahead, Africa's major problem in the future will not be one of race relations, nor even of political ideologies but of what the people would eat" (Sir Godfrey Hyggins, 1950).

The Nigerian nation in the decades spanning the middle of the 1970s to the 1980s and 1990s has been immersed in an agrarian and food crisis. The crisis has generated serious concern both from within and outside the country due to the recognition that a huge number of people would be affected if famine, similar tothe one seen on television screens in Ethiopia, struck. The perennial existence of rising food deficits, skyrocketing food prices, rural - urban migration etc, have combined to strengthen the belief that unless the situation was addressed, the problem would most likely escalate. Thus, as a result of this fear, the thrust of government policy, public commentaries and scholarly attention over the years became focused on possible strategies to resolve the crisis and the food security challenge it poses to the country.

In this regard, several policy options were placed on the table and tinkered with, to provide a basis for comprehending and resolving the crisis. The most favoured strategy in policy circles to address the situation has centred around the provision of support for, and strengthening of large scale capitalist farmers (Nkom, 1987). Governmental preference given to large scale farmers, was rooted in the diagnosis of the food crisis as being caused by underproduction. This technocratic diagnosis posits that the small peasant farmer has failed the nation with his archaic tools and systems of production and cannot, therefore, produce enough to feed the nation. Large scale farmers on the other hand, with their new ideas, modern tools of production and

commercial orientation, were regarded as capable of spearheading tremendous production to feed the nation and export the surplus (Nkom, ibid).

Arising from this development, a series of questions have remained in the air regarding the viability and practicability of this preferred option to agricultural development and food security. Questions revolving round the extent of the food crisis, nature and state support to the agrarian capitalist option and its implications on food security have continued to recur.

Agricultural Performance and the magnitude of the Food Crisis

The main challenges facing the agrarian sector in Nigeria before and currently are to eradicate poverty, attain food security, achieve global competitiveness and realize sustainable management of her resources for sustainable growth and development. Nigeria has a diverse and rich vegetation that can support agricultural production to feed its increasing population. The country occupies a total land area of 92.4 million hectares which consists of 91.1 million hectares of land and 1.3 million hectares of water bodies (FGN, 2010). The arable land area of the country is estimated at 83.6 million hectares and the country has an extensive coastal region that is very rich in fish and other marine products (FGN, ibid).

More importantly, the agrarian sector right from independence in 1960 up to the beginning of the 1970s accounted for between 60 to 80 percent of the Gross Domestic Product (GDP) (Watts, 1983). Even though the sector's contribution to the GDP had snagged during the 1970s, the sector up to the current momentprovides 88 percent of non-oil export earnings, and 42 percent of the GDP in 2009(FGN,2010).

However, the performance of the agricultural sector had left much to be desired, a situation that gave impetus to those bent on blaming the small peasant farmers and their replacement with large scale commercial farmers. Thus, from the onset, as pointed out earlier, was the problem of gross underutilization of available land for agriculture in the country. For example, out of the available arable land (83.6 million hectares) only 32 million hectares (i.e. 40 percent) are cultivated of which close to 90 percent is accounted for by households with less than 2 hectares under cropping (FGN, ibid). Typical farm sizes in Nigeria range from 0.5 hectares in Southern Nigerian to 4 hectares in the North of the country.

On the quantitative performance of the agrarian sector, a brief historical glimpse would suggest a general decline from the 1970s up to the 1990s. For example, even though the sector employs a vast majority of the population, its share of the GDP declined from 39.1 percent from 1970 to 1974 to 23 percent between 1975 and 1979. Between 1980 to 1989 its percentage share fluctuated between 23.3 percent and 37.9 percent (FGN, 1988). In much of the 1990s, thanks to the impact of Structural Adjustment Programme (SAP) intervention, agriculture experienced a significant growth of 4 percent even though its contribution to the GDP fluctuated between 29.9 percent and 27.2 percent between 1990 and 1998. Table below summaries it all:

Table 1: Share of agriculture in the GDP (1960-2004)

Period/Year	Agriculture's Share of theGDP(%)
1960 to 1964	62.5
1965 to 1969	54.3
1970 to 1974	39.1
1975 to 1979	23.1
1980 to 1984	23.3
1985 to 1989	37.9
1990 to 1994	29.9
1995 to 1998	27.7
2003 to 2005	32.6
2006 to 2010	40.0

Sources: **Ugwu and Kanu (2012) and Hon. Minister of Agriculture** (2011)

Therefore, as agriculture declined in terms of its contribution to the economy, the oil sector took over its position in this respect. In the oil boom era (1966-1977), the petroleum sector which used to contribute a meagre 2.6 percent of GDP in 1960 contributed 57.6 percent in 1970 and up to 99.7 percent in 1992.

Set against this trend of decline was the growing demand for food, a situation which resulted in food deficits which, from Apeldoorn's computation reached about 10 million tonnes by 1970 (Apeldoom, 1990). The consumer price index for food went above that of all other commodities. For example, using computation by Awoyemi (1984) with 1975 as a baseline, the food consumer price index jumped by 28.1 percent in 1976, 133.3 percent in 1980, 475 percent in 1985 and 1165 percent in 1981. The situation was by all measurements and standards an alarming one.

The industrial sector of the economy became another victim of the situation as domestic production became unable to meet its raw material needs. As a result, the capacity utilization of most industries declined. This is apart from the fact that the teeming rural population that depends on agriculture for self sustenance became increasingly poor and vulnerable to hunger and starvation. Rural-urban migration became well pronounced as young people intensified their exodus to the cities in search of non-existing white collar jobs. The rural environment, once luxuriant with water and vegetation cover became increasingly degraded due to over cultivation and wide spread disruption (Labo, 1991).

The immediate response of the Nigerian government to the dwindling agrarian and food situation was to resort to massive food importation notably *Uncle Ben* and Thailand rice and other staple items. This situation became so precarious that it translated into the country becoming dangerously dependent on foreign food sources. The country's increased earnings from petroleum greatly expanded Nigeria's ability to massively import agricultural items. Thus, while this picture depicts instability in the agricultural arena, the magnitude of the crisis was more vividly exhibited by the near total collapse of agricultural exports. The centrality of agricultural export earnings in providing for the fiscal base of the state as a major source of accumulation became eroded and its percentage share in the nation's total exports took a nose dive.

As the crises confronting the agrarian sector became intensive, the state became particularly restive about its implications and the measures required to address it. Its strategic thinking in this respect continued to move along with those suggesting a technical approach of infusing modern technology in agriculture coupled with the grooming of a class of large scale farmers to produce abundant food and fibre.State agricultural policies therefore, began to be refocused on promoting capitalist large scale agriculture in line with this thinking.

State Policy and the Grooming of Large Scale Farmers

Arising from the conception of the Nigerian state on what constituted the genesis of the agrarian problem in the country, state policy in subsequent periods became focused on promoting capitalist large scale agriculture. In this regard, post colonial agricultural policies in the country have entailed deliberate interventions with the object of promoting growth while at the same time altering rural class structure. These policies have outwardly rejected the old agrarian systems and practices and began to institute a new order in line with state thinking on how to tackle the food crises. Under this dispensation, the set of policies put in place attempted to consolidate the gains of the privileged classes that emerged in the rural economy. It was also a period when a new set of people who acquired fortune through various ways and means in the country's political economy went into large scale agriculture and gave the existing dominant classes in the sector an added impetus (Labo, 1991).

As pointed out earlier, from the early 1970s, Nigerian government became increasingly financially empowered by oil revenues and therefore became capable of establishing large state funded programmes and projects in agriculture to address the sector's crisis. The initiation of theihuge capital intensive projects such as the Agricultural Development Projects (ADPs) and the large irrigation programmes under the River Basin Development Authorities (RBDAs) provided a base to infuse capitalist transformation in agriculture. These schemes have done so much in identifying and supporting a class of "Progressive Fanners" in agriculture. Besides, government had never concealed its intention to support this class of farmers to take over the reigns of providing the nation with food. For example, during the Fourth National Development Plan (1981-85), Federal Government pledged to:

> "encourage entrepreneurs to establish large scale farms. Fiscal incentives already provided by government for companies wishing to go into large-scale agricultural production, for instance, income tax relief for pioneer enterprises, duty free importation of farm machinery, additional investment allowances of 10 percent provision for carrying forward losses, etc will be maintained and improved upon as may be appropriate as a means of inducing production" (FGN, 1981).

Apart from striving to actualize these pledges government also directed commercial banks to make special provision in support of large scale farmers (FGN, ibid). Capitalist fanners were also encouraged to form joint ventures with agribusiness firms and other foreign concerns and the latter have been enticed with incentives, participation agreements and generous new terms of foreign exchange including tax holidays.

In addition, agricultural production and processing were transferred from schedule 2 to schedule 3 of the Nigerian Enterprises Promotion Act which implied that foreigners could own up to 60

percent of equity in any agricultural enterprise (FGN, ibid) with the object to enlist their interest to operate in concert with large scale commercial farmers.

The emergence and growth of the oil sector had immensely contributed to increased state revenue. The intensification of the food crisis therefore, came in juxtaposition with increased income and purchasing power. This facilitated considerable increase in the internal demand for food, especially rice, wheat flour, milk and other imported items. On the other hand, the stage was set to delve into expanded domestic production through direct state involvement in agricultural production.

This strategy took two broadly structured forms. The first involved the setting up of state production schemes, often in concert with international capital and agribusiness. The second strategy involved the expanded activities of parastatals and other agricultural companies in marketing and input provision (Watts, 1983). These include the National Grains Production Company (NGPC), the National Livestock Production Company (NLPC) and the National Root Crops Production Company (NRCPC). These twin measures have provided immeasurable support to large-scale farmers and have helped tremendously in changing the character and dynamics of agricultural development in Nigeria.

With all these measures in place, no one was kept in any doubt that the Nigerian state was done with peasant agriculture as a vehicle for growth and development. With the promulgation of the Third Plan, it became obvious that agricultural policy was being tailored towards shedding those structures and relations characterising traditional peasant production.

The New Agriculture Policy of the late 1980s and the 1990s based on the tenets of structural adjustment came hi handy for large scale capitalist farmers. Structural adjustment's conception of the challenges facing agriculture and food security in Africa hammered immensely on the crisis as a product of underproduction and marginalisation of entrepreneurship in agriculture. (Berg, 1985). The 1988 agriculture policy document accepted this conception entirelyfor implementation in Nigeria. This conception therefore provided legitimacy to the new breed farmers' craze to acquire new technology to flood the market with food. Again, structural adjustment *s emphasis on privatisation of agricultural parastatals and deregulation of bank interest rates remarkably expanded their advantages over and above those of farmers down the ladder. The cumulative dividend of these policy formulations is what we have today as a class of rich farmers who have cornered huge hectares of land holdings hitherto owned by the peasantry (Ojo, 2008). Most of these farmers are made up of serving and retired army generals, top civil servants, businessmen, well connected academics etc. Their individual and collective influence in the corridors of political power has served to provide them with concessions and easy access to favours.

The influence of members of this class in agriculture has continued regardless of the changing political regimes in the country. For example, the 2001 new agriculture policy is emphatic in its enthusiasm to promote private sector involvement in agricultural development with a key role accorded to large scale commercial farmers as major beneficiaries of incentives (FGN, 2001). Again, under the 2008 commercial Agricultural Development Scheme of the "Yar'adua administration, a special intervention fund with over 400 billion Naira to boost a agriculture along its value chain was put in place. Out of this, 200 billion Naira was specially allocated for

credit facilities to farmers operating on large scale basis (NFRA, 2008). State Policy is not done with this class of farmers yet. The Jonathan administration's vision of Agricultural Transformation agenda also seeks to end the era of treating agriculture as a development project..." and rather "focus on agriculture as a business" (HMA, 2011). By abandoning the developmental dimension of agriculture, the Jonathan administration has finally nailed the coffin of traditional subsistence farming dominated by small holders. The question that remains to be answered however, is how would this situation impact on the nation's food security?

Challenge of Food Security

The idea of food security was first presented at the World Food Summit in 1974 during which the concept was solely viewed from the perspective of food availability at the national level. Today, it is a condition in which all people have access at all time to enough food of an adequate nutritional quality for a healthy and active life (World Bank, cited in Adebayo, 2010). There are four dimensions to this, viz: availability of sufficient quantities of food; stability of supply overtime; access to the available food; and food utilization. (Adebayo, ibid).

Scholars have argued that significant food and nutrition problems exist in Nigeria. In this respect, factors constraining food supply and food demand invariably affect food security. To highlight the intensity of the food security challenge in Nigeria, it is important to note the threat of hunger and poverty which confronts the 69 percent of the population that lives on less than 160 naira (US$ 1.0) per day (Adebayo, ibid.). Small holder farmers account for over 80 percent of all farm holdings but crop yields are far below potentials. Although production growth rate averaged 7 percent in 2006 to 2008 period, it is still below the 10 percent estimated as necessary for sustainable food security. Again, despite a growing urban population, in 2000, at least 56 percent of the population resided in rural areas where the main economic activity is dominated by small holder agriculture (Speranza and Nwajiuba, 2011). This puts the agricultural sector ahead of other sectors in terms of its importance for the food security, livelihood and well-being of most Nigerians.

With these obvious realities starring agriculture in the face, to what extent can large scale capitalist agriculture by a handful of farmers ensure food security in Nigeria?

As we saw in the last section, state policy had overtime supported a land grab by the large farmers. Many studies have already indicted this process of sabotaging food security. Ojo's study of Ondo State (2008) has revealed that acquisition of land for large scale farming in the study area had adverse effect on small scale farming thus endangering local population's food security and livelihood.

The huge state sponsored agricultural programmes and projects like the RBDAs and ADPs discussed earlier have succeeded mainly in indoctrinating farmers to adopt modern technology while at the same time facilitating the gravitation of critical farm resources into the hands of large scale farmers with dire food security consequences. Most of the inputs being propagated for small formers to use are not affordable after most of them have abandoned their usual farming practices. This has led to their inability to adequately produce what to eat (Nkom, op.cit). Besides, the penchant for agricultural growth to meet export demands spearheaded by government through these programmes especially from the 1990s has not been helpful to produce a food secure nation. The Office of Development Effectiveness of the Australian government correctly captured this while commenting on food security in Africa:

"Not all forms of agricultural growth have.... beneficial impact on food security... the expansion of large-scale mechanised farm sector that produces raw materials for biofuel or industrial raw materials could have overall growth benefits. But itwould not increase national food availability or reduce national food price levels (or) increase the purchasing power for food of many poor people. Only where such commodities are produced by small holders using more labour intensive methods... will significant food access benefits occur". (ODE, 2008).

A good example of this development in Nigeria can be seen in the unholy alliance that exist between government, large scale farmers and agribusiness. This alliance has been inimical to food security. For example, since the 1970s, Cadbury Nigeria Limited installed a tomato puree extraction plant in Zaria and struck a "gentleman" agreement with local farmers to acquire their lands and/or produce tomatoes for the company. By 1974, Cadbury not only doubled the acreage for tomato production but also doubled its operation in so many other crops. Local farmers in the area drastically shifted away from subsistence production to satisfy the needs of the company thus negatively impacting on food security (Labo, op.cit).

However, of recent, government in Nigeria have come up with policies and programmes to ensure food security and reduce poverty in view of the negative track record of past policies in this respect. Even these new policies have achieved less than expected success. These include the National Food Security Programme (NFSP) and the National Fadama Development Programme (NFDP). Reasons for limited success include lack of in depth studies and realistic pilot surveys coupled with lack of coordination and low policy coherence.

Conclusion and Recommendations

The development of agrarian capitalism in the form of large scale farming in Nigeria can be tied to the specific policies the state had elected to pursue in response to the food crisis that afflicted the nation. State policy overtime pursued the course of grooming a rural elite capable of enthroning large scale commercial production to flood the market with food and raw materials. This agrarian elite producing on large scale basis did not provide the spectacular productivity growth that was expected to launch Nigeria as an agrarian power with a happier and food secure population. It is doubtful from the foregoing if capitalist large scale agriculture alone can engineer the needed growth and provide a basis for the kind of food security status Nigeria is yearning to achieve.

To address these challenges, Nigeria's agricultural and food security policy and programmes should adopt a twin-track approach, which on one side encourages large scale commercial agribusiness farming, which at the same time supports the huge population of subsistence producers. This is critical to rural food security, social cohesion and poverty reduction. In pursuing this, it is important to considerenvironmental challenges and remedy the consequences of past agricultural practices that have harmed the soil. The important role of women in agriculture needs to finally be recognised and be given a boost.

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