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Full Length Research Paper

Effects of agricultural reforms on the agricultural sector in Nigeria

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The various economic reform strategies undertaken by governments over a period of about three decades on the agricultural sector in Nigeria were the exploitative strategy, agricultural project strategy, direct production strategy and integrated rural development strategy. Overall, these economic reform strategies were geared toward the achievement of food self-sufficiency and food security, generation of gainful employment, increased production of raw materials for industries, increased production and processing of export crops, rational utilization of agricultural technologies for the improvement of life of its citizens. These strategies notwithstanding, government also pursued other on-going initiatives to step-up agricultural development across the country. The effects of economic reforms on the agricultural sector was examined alongside its fundamental roles of food security, supply of raw materials to industries ,provision of market, employment and foreign exchange as well as generation of savings for investment in agriculture and other sectors. Agriculture contributed minimally during the period in terms of output, market, foreign exchange and capital formation or transfer as a result of policy instability, poor coordination of policies, poor implementation and mismanagement of policy instruments and lack of transparency. It is recommended that an enduring genuine democracy and good governance should be allowed to thrive in Nigeria in order to achieve poverty reduction, sustainable livelihood and food security which will guarantee comprehensive economic development and attainment of the Millennium Development Goals (MDGs).

Key words: Agriculture reforms, effects, agriculture, Nigeria.

INTRODUCTION

Nigeria is an agrarian country with about 70% of her over 140 million people engaged in agricultural production (NBS/CBN, 2006) and provides subsistence for two-thirds (2/3) of Nigerians who are low income earners (Usman, 2006). While the Northern part can guarantee the production of cereals such as sorghum, maize, millet, groundnut, cowpea and cotton, the Middle Belt and the South have the potentials to produce root tubers such as cassava, yam, cocoyam and other crops like plantain as well as maize (Abdullahi, 2003). In addition to crops, the country is also involved in the production of livestock,fisheries, forestry and wildlife.

Nigeria is generally endowed with abundant natural resources, numerous all-season rivers and a favourable tropical climate. Rainfall is generally adequate and fairly well distributed throughout the country (Ukpong et al, 1995). Out of the 98.321 million ha of land available in Nigeria, about 75.30% may be regarded as arable land, which 10% is under forest reserves and the remaining 14.70% is assumed to be made up of permanent pastures, built up areas and uncultivable waste (Olajide, 1980).In the light of the foregoing, agriculture is still a major sector as well as remains the cornerstone of theNigerian economy (Salami, 2006; Igboeli, 2000).

The problem

Although agriculture had remained the mainstay of the

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Nigerian economy, there has been declining contributions of agriculture to the gross domestic product (GDP) in the past three decades. This could be associated with the gross neglect of the agricultural sector and over dependence on the oil sector. In the pre-and post independence era (1930 to 1965), the Nigerian economy was predicated on agriculture. Agriculture employed about 70 to 80% of the country's labour force (Falusi and Olayide, 1980) and contributed 60% of the nation's gross domestic product (GDP) and foreign exchange earnings (CBN, 1985).

In the oil boom era (1966 to 1977) the oil sector came to a prominent position as an important source of the national revenue. The oil sector which used to contribute a meager 2.6% of the GDP in 1960 contributed 57.6% to the GDP in 1970 and up to 99.7% in 1972 (Keke, 1992). Agriculture, on the other hand, contributed only 12% to the GDP in 1970 which culminated in rising food import bill leading to the persistent huge deficit in the balance of payments over the years (Ugwu, 2007).

In the post oil boom era (1977 to 2002), the price of crude oil started falling and/or fluctuating and there has been a growing concern to revitalize the agricultural sector as well as diversify the economy.

In order to revamp the agricultural sector, the federal government had embarked on and implemented several agricultural policies and programmes some of which are defunct or abandoned, and some restructured while others are still in place. These include the farm settlement scheme, National Accelerated Food Production (NAFPP), Agricultural Development Projects (ADPs), River Basin Development Authorities (RBDAs), National Seed Service (NSS), National Centre For Agricultural Mechanisation (NCAM), Agricultural And Rural Management Training Institute (ARMTI) and Agricultural Credit Guarantee Scheme Fund (ACGSF). Others were the Nigerian Agricultural Cooperative And Rural Development Bank (NACRDB)/agricultural bank, Operation Feed the Nation (OFN), Green Revolution Programme, Directorate Of Foods, Roads And Rural Infrastructure (DFFRI), Nigerian agricultural insurance company (NAIC), National Agricultural Land Development Authority (NALDA), Specialised Universities for Agriculture, Root and Tuber Expansion Programme (RTEP) and rural banking scheme, etc (Salami, 2007).

Furthermore, the Federal Government in 2004 launched another economic reform called National Economic Empowerment And Development Strategy (NEEDS) programme to encourage private sector participation in the development of the economy. It was also aimed at promoting growth and poverty reduction through a participatory process involving civil society and development partners. In the agricultural sector, NEEDS were directed to influence improvement in the production, processing and distribution of agricultural commodities. NEEDS was short-lived for only one year and therefore could not transform or make significant impact on the agricultural sector.

Despite all the aforementioned reform policies and programmes, the performance of the sector had not fared better than it was before independence. It is against this background that this research was designed and considered imperative at this time in the nation's history.

Research objectives

This study was therefore designed primarily to assess the performance and the effects of these government agricultural reforms and strategies on the agricultural sector. Specifically the study sought to:

1. Review the various federal agricultural reforms, programmes and interventions designed and implemented to restore agriculture to its prime position in the economy.
2. Determine the effects and nature of the individual contributions of these reforms and programmes on the agricultural sector.
3. Identify the problems and/or factors that militate against the achievement of the desired impact of these reform programmes/strategies on the agricultural sector.
4. Proffer recommendations for improvement based on findings.

RESEARCH METHODOLOGY

Study area

Nigeria was the focus of the study. It has an area of 923,769 km^2 and a population of over 140 million people. It is bounded on the West by the Republic of Benin and the Republic of Niger; on the East by the Republic of Cameroon; on the North by Niger and Chad Republic's and on the South by the Gulf of Guinea. The climate is equatorial and semi-equatorial. There are two seasons; the wet and dry season and agriculture is a major employer of labour, and the mainstay of the economy despite her dependence on oil.

The approach used for this research were mainly desk study, data collection from secondary sources as well as analysis of data using descriptive statistics and other qualitative methods.

Data collection

This involved desk study and/or review of relevant literature such as journals, technical documents, government gazettes, CBN annual reports and bullions, and published materials from the National Bureau Of Statistics and the National Planning Commission (NPC), among others. Internet resources were also consulted.

This also involved the collection of time series data on gross domestic product (GDP), output of agricultural products, exports and revenues, etc. The study focused on data/information available from 1960 to 2009.

Data analysis

Data collected were analysed using such descriptive statistics as percentages, means/averages, frequency tables, charts as well as cross tabulations.

RESULTS AND DISCUSSION

Historical perspective of agricultural reforms/policies and programmes

Nigeria's perception of the place and role of agriculture in national development changed considerably over time. The affected policies, strategies and schemes used to address issues of the scheme equally changed. Different strategies adopted by the country shows dynamism and changing strategies that overlaps and cannot be appropriately segregated into time phases. Often it was a combination of two or more strategies to implement agricultural policies designed at different time periods. According to Olayemi (1998) agricultural development strategies that have been adopted in the country can be categorised into the exploitative strategies, the agricultural project strategy, the direct government production strategy and the integrated rural development strategy.

Exploitative strategy

The Nigerian Government during the colonial period and early years of independence adopted this strategy for agricultural development. In the 1950s the traditional economists observed agricultural sector as a residual, subsistence sector made up of peasant farmers. Myint (1958) in his "Vent-for-surplus" theory particularly categorized a developing economy as consisting of a "modern sector" that is largely non-agricultural and a "subsistence sector" that is agricultural. The subsistence sector that is perceived to be unproductive but full of under-utilized resources is expected to feed the modern sectors. As such, the subsistence sector was expected to be taxed to finance the modern sector. This essentially was the basis of the agricultural strategy in the 1950s and the 1960s in Nigeria with levies on export crops providing revenue for government to develop the modern sector (Adubi 2004). The Government established institutions such as the agricultural marketing board system to boost revenue generation efforts through taxing of peasant farmers that produce export crops such as cocoa, groundnut, palm produce, cotton, etc.

Agricultural project strategy

The period coincided with the time of internal self government up till 1968. Government intervention in agriculture was minimal. The small-scale farmers in Nigeria bore the brunt of agricultural development efforts (Egwu and Akubuilo, 2007). Agriculture was seen as a sector that has appropriate linkage with other sectors and should be developed in complementarity with other sectors thereby effecting the needed forward and backward linkages. Agriculture was regionalized with the establishment of extension fields and research institutes. Regional public funds were invested in agriculture and there were new schemes such as farm settlement schemes (established to create modern literate farmers and promote agricultural development). Tree crop plantations, smaller farmer credit schemes, and Agricultural Development corporation projects were established to encourage development of tree crops.

Direct government production strategy

According to Olayemi (1998), this was merely a deepening of the process of direct government intervention and investment in agriculture. This period started in 1970 and coincided with the oil boom in Nigeria. There was massive Federal Government intervention and investment in agriculture. The reasons were first, the need for the rehabilitation and resuscitation of agriculture after the civil war. This demanded immediate huge investments by government in agriculture given that there was low capacity in the private sector. Second, the ideological imperatives in the world then favoured direct involvement of government in directing investments in agricultural business and allied activities (Adubi, 2004). The period witnessed direct involvement of governments in directing investments in agricultural production activities and the establishment of schemes and research institutes such as National Accelerated Food Production Project (NAFPP), Nigerian Agricultural Co-operative Bank (NACB), etc.

Integrated rural development strategy

The government realized in the mid 1970s that the strategy of direct agricultural production was not yielding the desired results. So, there was gradual shift to an agricultural development approach which involved the adoption of an integrated rural development strategy (Olayemi, 1998). Under this strategy, rural development was seen from a holistic perspective with agricultural development problems being only part of a larger rural development concern. This prompted the government to embark on multipurpose rural development programmes and implementing institutions such as the Agricultural Development Projects (ADPs), the River Basin Development Authorities (RBDAS), the Directorate Of Food, Roads And Rural Infrastructure (DFRRI), the National Agricultural Land Development Agency, (NALDA), the Operation Feed The Nation (OFN), the Green Revolution (GR), etc. This integrated rural development strategy was also adopted during the Structural Adjustment Programme (SAP) era but with significant changes in institutional design, intensity of activities and modes of operation.

Effects of agricultural reforms, policies and programmes on the agricultural sector

The assessment of the effects of the agricultural reforms and policies on the agricultural sector is with respect to the fundamental roles, of agriculture, namely;

i. Provision of adequate food for a growing population and raw materials for industries.
ii. Provision of an expanding market for non-agricultural products
iii. Generation of savings for investment in agriculture as well as other sectors and release of surplus or under-utilized resources to other sectors.
iv. Generation of foreign exchange.

These are discussed in line with the historical periods of the various policy reforms and programmes as follows:

Table 1. Share of agriculture in the GDP (1960 to2006).

Period/Year	Average share of Agriculture in GDP (%)
1960 to 1964	62.5
1965 to 1969	54.3
1970 to 1974	39.1
1975 to 1979	23.1
1980 to1984	23.3
1985 to 1989	37.9
1990 to 1994	29.93
1995 to1998	27.72
1999 to 2002	40.82
2003	32.60
2004	34.21
2005 1/	41.83
2006 2/	50.78

Source: CBN annual report and statement of accounts (various issues).

The 1960 to 1969 era (period of minimum government intervention)

During this phase, government intervention in agriculture was minimal. The small-scale farmers in Nigeria bore the brunt of agricultural development efforts (Egwu and Akubuilo, 2007). According to Olayemi (1995) government effort took the form of settling policies and creating institutions for agricultural research, extension and export crop marketing and pricing. Agricultural development during this period was equated as the withdrawal of surplus rural labour and transferring them to the industrial sector. Government established farm settlements and government research institutes and agricultural development corporations. This period witnessed visible decline in export crop production and mild food shortage. There was a decentralized approach to agriculture with initiatives being left to the regions and the states while Federal Government played a supportive role. Regional governments were executing adhoc policies, programmes and projects. The effects of these reforms/policies on agricultural performance include increase in food supply short falls, and rise in retail food prices (Sanyal and Babu, 2010). The agricultural share of the GDP declined from 66% in 1959 to 50% in 1970. The decrease in export earnings and the increase in retail feed prices led to greater importation of food, which adversely affected the balance of payments during the late 1960s (Kwanashie et al., 1998).

During the same period, agriculture maintained an average of about 56% GDP in the 1960s with about 63% in the first half of the decade (Tables 1 and 2). However, the foreign exchange earnings declined from 71% in 1964 to 41% in 1969.

The negative environmental effects of these policy reforms at this period, however, were noted to include increased deforestation of rain forests for cash crop production as well as loss of biodiversity including wildlife and indigenous plants.

The 1970 to 1985 era (period of maximum government intervention)

This phase was characterized by a change of policy from minimal government intervention to maximum in the agricultural sector. The oil boom featured in the era which brought about enormous financial investments in agricultural projects and institutions. Many agricultural policies and programmes were enunciated. The fiscal, monetary and trade policies under the macro-economic policies were launched during the era as enumerated as follows;

Fiscal policy: Budgetary allocations to agriculture were substantially increased to accommodate capital and recurrent expenditures. However large budget deficits were recorded. The capital expenditure on agriculture declined from 6.2% of total capital expenditure by the Federal Government in 1973 to 4.0% in 1985. The expenditure of state government followed similar pattern for the period under review (Egwu and Akubilo, 2007).

Tax policy: Income tax reliefs on incomes from new agricultural enterprises were pursued.

Wage policy: A unified wage structure for all public sector workers was put in place.

Monetary policy: Agricultural loans were given at concessionary interest rate of 6% per annum. In 1980s it was raised to 9% per annum.

Establishment of schemes, institutions etc: The

Table 2. Percentage contribution to gross domestic product by sectors.

Product	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Oil	13.5	12.97	13.0	13.4	13.05	14.17	11.60	10.7	11.5	11.6	9.7	41.50	37.22	49.64	61.19
Non oil	86.5	87.3	87.0	86.9	86.95	87.16	88.41	89.3	88.5	88.4	98.3	58.50	62.78	50.36	38.35
Crops	29.9	29.8	29.8	29.5	31.13	31.47	32.27	22.7	32.4	32.3	32.9	29.6	30.48	37.05	45.09
Livestock	5.2	5.1	5.0	4.0	5.23	5.19	5.21	5.2	5.1	5.1	5.1	2.04	2.14	2.75	3.32
Forestry	1.3	1.3	1.3	1.2	1.27	1.24	1.22	1.2	1.2	1.2	1.1	0.41	0.95	0.54	0.64
Fisheries	1.4	1.6	1.6	1.7	1.38	1.49	1.66	1.9	1.9	1.9	2.1	1.09	1.14	1.49	1.72
Agriculture	37.8	37.8	37.7	37.2	39.01	39.39	40.36	40.99	40.61	40.45	41.23	32.6	34.21	41.83	50.78

Source: CBN annual report and statement of accounts (several issues).

Nigerian agricultural and co-operative bank (NACB) was established in 1973 to facilitate the granting of credit to Nigerian farmers.

Mandatory sectoral allocation to agriculture: Commercial and Merchant Banks were mandated to extend a minimum of 6% of their loan portfolio to agriculture which was later increased to 12%.

Rural banking scheme was launched in 1977 while the agricultural credit guarantee scheme was established in 1977.

Trade policy on abolition of export duties on scheduled export crops in 1973 in order to promote agricultural export trade. Liberalization of imports in respect of food, agricultural machinery and equipment. A summary of the micro-economic Policies in Agriculture during the era were as follows:

1. Agricultural commodity marketing and pricing policy: In 1977, six national commodity boards were established which include; commodity boards for cocoa, groundnuts, palm produce, cotton, rubber and food grains.
2. Land use policy was promulgated by the Federal Government in 1978 vesting the ownership of all lands on the government as to give genuine farmers access to farmlands.
3. Agricultural extension and technology transfer policy aimed at improving the adoption of improved agricultural technology by farmers with the national accelerated food production project (NAFPP) and agricultural development projects (ADPs) as implementing agencies.
4. Input supply and distribution policy was promulgated to ensure adequate and orderly supply of agricultural inputs notably fertilizers, agro-chemicals, seeds, machinery and equipment.

a) In 1975 Government centralized fertilizer procurement and distribution with numerous agro-service centres nation wide.

b) In 1972 Government created national seeds service (NSS) to produce and multiply improved seeds such as rice, maize, cowpea, millet, sorghum, wheat and cassava.

5. Agricultural input subsidy policy on fertilizer, seed (50%) agro-chemicals (50%) and tractor hiring services (50%).
6. Agricultural research policy: The policy was aimed at coordination and harmonization of agricultural research and extension linkage. Agricultural research council was established in 1971.The 1973 Decree empowered the Federal Government to take over all state research institutions. The 1975 reconstitution by the Federal Government of the Nigerian Agricultural research Institute network led to the establishment of 14 institutes which were later increased to 19 and the creation in 1977 of the national science and technology development agency to coordinate all research activities in Nigeria.
7. Agricultural co-operatives policy: In 1979, a department of agricultural co-operatives within the Federal Ministry of Agriculture, Water Resources and Rural Development was created to actualize this policy aimed at encouragement of farmers to form co-operatives and the use of same for the distribution of farm inputs and imported food commodities.
8. Water resources and irrigation policy brought about the establishment of eleven River basin development authorities in 1977 charged with the responsibility of developing Nigeria's lands and water resources.
9. Agricultural mechanization policy: The policy was instrumental to the creation of the Ministry of Science and Technology and the establishment of some Universities of Science and Technology; the operation of tractor hiring units in all the states of Nigeria, reduced import duty on tractors and agricultural equipment and implements, generalized and liberalized subsidies on farm clearing and establishment of a centre for agricultural mechanization.

In terms of effects of these agricultural reforms and policies on the agricultural sector, the imbalance in the flow of financial resources that characterized this period reflected in Nigeria's foreign trade. During this period imports rose by 46.5% more than the planned targets, with food, capital equipment and raw materials being, the fastest growing categories of imports. Food imports as a share of total imports increased from 7.67% in 1970 to 10.26% in 1979 (Osemeobo, 1992). At the same time as imports were increasing, agricultural production was suffering due to the latent impact of the civil war (1967 to 1970) and the drought of 1972 to 1974 that led to a massive loss of crops and livestock. Despite government efforts in agricultural production, the performance of the agricultural sector was poor in terms of its growth, its export value, its contribution to GDP, and its share in Nigeria's total export earnings.

There was rapid decline in agricultural production with large food supply gaps (Sanyal and Babu, 2010) with attendant rapid increase in food imports from 7.7% in 1970 to 10.3% in 1979.

The 1985 to 1990 era (structural adjustment programme **(***SAP) and post SAP period)*

This era saw the Federal Ministry of Agriculture, Water Resources and Rural Development in 1988 produce an agricultural policy for Nigeria decreed to be operational for at least the next fifteen years. According to Ikpi (1995) the document embodied the following, among other policies;

a) Agricultural sector policies and strategies on food crops, livestock and fish production, industrial raw material (crop and by-products) production, and forest products and wildlife.
b) Policies on support services such as agricultural extension, technology development and transfer, agricultural credit; agricultural insurance; agricultural mechanization; water resources development; rural infrastructure; agricultural statistics and data bank; agricultural investment and management advisory services, and agricultural manpower development and training. The document assigned role and responsibilities to the three tiers of government, federal, state and local in the country. It also incorporated a mechanism for periodic policy review to allow for policy stability and perspective planning.

With the adoption of Structural Adjustment Programme (SAP) in 1986, government admitted the failure of past policies to significantly improve the economy and reverse the declining trend of production in the agricultural sector. The Structural Adjustment Programme relied most especially on the agricultural sector to achieve the objectives of its far-reaching reforms on diversification of exports and adjustment of the production and consumption structure of the economy (Adubi, 2004).

The objectives of SAP were to:

1) Restructure and diversify the productive based of the economy so as to reduce dependency on the oil sector;
2) Achieve fiscal stability and balance of payments viability over the medium term; and
3) Promote economic growth with single digit inflation rates.

Some of the key policies designed to achieve these objectives were:

a) Measures to stimulate domestic production and broaden the supply base of the economy
b) Liberalization of trade and export controls;
c) Elimination of price control and commodity boards;
d) Decontrol of interest rates, and
e) Further rationalization and restructuring of the tariffs to smooth the way toward industrial diversification (Sonyal and Babu, 2010).

Despite the aforementioned policy measures, the agricultural sector did not register significant overall growth for several reasons. First, SAP had more of an impact on the distribution of farm incomes than on agricultural growth and productivity (Kwanashie et al, 1998). Second, on average, real producer prices of tradable goods did not change significantly after the policy reforms. The decline in output of the export crop subsector contributed to a reduction in foreign exchange earnings that could affect the foreign exchange requirement of the agricultural sector. As a result of this reduction and subsequent loss of export earnings from crops, the country's dependence on crude petroleum export earnings between 1988 and 1992 increased substantially (Colman and Okorie, 1993).

In this phase also, which marked the SAP period, there was lower agricultural and economic growth with high rates of unemployment. Export earnings declined to less than 5% (Table 3) as well as widening gap in food supply and demand. Food prices increased from 2.6% in 1970 to 1979 period to almost 20% during 1980 to 1989.

The environmental implications of these policy reforms were quite significant. During this period, there was increased deforestation with adverse impact on biotic resources, loss of biodiverty, increased desertification in arid areas and flooding in lowland areas. There was also evidence of increased use of chemicals and abuse of fertilizer use which led to soil degradation in certain agro-ecological zones.

With respect to the index of real agricultural sector GDP between 1985 and 1990, it was fluctuating over these years. It was negative in 1985 and 1986 and positive in 1987 to 1990.

The new millennium agricultural policies (1999 to 2009)

At the inception of the new democratic administration in May 1999 and shortly before then, several institutional changes were made in order to realize the sector's

Table 3. Growth rate of real GDP-agriculture.

Year	Index of real GDP agriculture	Growth rate
1981	100.0	
1982	103.85	3.85
1983	96.20	-3.80
1984	90.59	-9.41
1985	100.13	-0.13
1986	98.44	-1.56
1987	136.35	36.45
1988	136.35	36.35
1989	105.30	5.30
1990	118.43	18.43
1991	122.71	22.71
1992	128.07	28.07
1993	132.39	32.39
1994	127.60	27.66
1995	131.19	31.19
1996	137.68	37.68
1997	143.18	43.18
1998	143.76	43.76
1999	143.33	43.76
2000	141.37	41.37
2001	159.08	59.08
2002	163.39	63.39
2003	165.13	65.13
2004	69.52	-30.48
2005	71.79	-28.21

Source: CBN statistical bulletin (various issues).

objectives and in line with its belief that agricultural and rural development are sin quo non for improved economic recovery (Olomola, 1998). These include the relocation of the department of co-operatives of the Ministry of Labour and its merger with the agricultural co-operatives division of the Ministry of Agriculture, the transfer of the Department of Rural Development from the Ministry of Water Resources to the Ministry of Agriculture (all before 1999), the scrapping of the erstwhile National Agricultural Land Development Authority (NALDA) and the merging of its functions with the rural development department, the scrapping of the Federal Agricultural Co-Ordinating Unit (FACU) and the Agricultural Projects Monitoring and Evaluation Unit (APMEU) and the setting up of Projects Co-Ordinating Unit (PCU) and later transformed into the National Food Reserve Agency (NFRA). Streamlining of institutions for agricultural credit delivery with the emergence of the Nigerian Agricultural Co-Operative and Rural Development Bank (NACRDB) from the merger of the erstwhile Nigerian Agricultural and Co-Operative Bank (NACB) and the Peoples Bank and the Family Economic Advancement Programme (FEAP). New Institutions were also evolving to enable the Nigerian agricultural sector respond to the imperatives of the emerging global economic order.

The new agricultural policy has a clear statement of objectives. The policy seeks to attain self sustaining growth in all the subsectors of agriculture and the structural transformation necessary for the overall socio-economic development of the country as well as the improvement in the quality of life of Nigerians. This objective reflects the current policy recognition of agriculture as a vital sector under the poverty reduction programme (FMARD, 2003).

The government also sought to pursue the following specific objectives:

i. Attainment of self-sufficiency in basic food commodities with particular reference to those which consume considerable shares of Nigeria's foreign exchange and for which the country has comparative advantage in local production.

ii. Increase in local production of agricultural raw materials to meet the growth of an expanding industrial sector.

iii. Increase in production and processing of exportable commodities with a view to increasing their foreign exchange earning capacity and further diversifying the country's export base and sources of foreign exchange earnings;

iv. Modernization of agricultural production, processing, storage and distribution through the infusion of improved technologies and management so that agriculture can be more responsive to the demands of other sectors of the Nigerian economy.

v. Creation of more agricultural and rural employment opportunities to increase income of farmers and rural dwellers and productively absorb an increasing labour force in the nation.

Other initiatives that are on-going to step-up agricultural development and ensure food security are the root and tuber expansion programme, national cocoa development committee, Special Programme on Food Security (SPFS) and National Fadama Project. Others also include the Fish farm estate development, initiatives for increased agricultural production, south-south cooperation initiative and Nigeria-France project on agricultural development.

This phase witnessed a drastic reduction in food imports from 14.5% to 5% of total imports. Presidential initiatives on specific agricultural commodities (for example cassava, rice) in order to generate N3 billion annually from exports also featured during this period. Public private partnership in the development of agricultural marketing as well as the promotion of integrated rural development marked this phase.

The effects of these policy changes and programmes were reflected in the deficits recorded due to rising population and import restrictions on cereals and grains, supply shortages due to significant increase in land area under cultivation, and instability in input and output markets, among others. Annual deforestation rate remained at the rate of 76% per year due to higher demand for agricultural land, fuel wood and rapidly growing population (UNEP, 2006). Land degradation caused by soil erosion occurred at an alarming rate. However, Nigerian agriculture has shown good growth rates in the recent past with growth rates of 7.4, 7.2 and 6.5% in 2006, 2007 and 2008 respectively. Between 2003 and 2007 its average share of the national real GDP was 41.5% thus underscoring its importance in the livelihood of Nigerians (FGN, undated). Of the growth in the 2003 to 2007 period, the crop, livestock, fishery and fishery subsectors contributed 90, 6, 3 and 1% respectively. Major crops grown in Nigeria include yam, cassava, sorghum, millet, rice, maize, beans, dried cowpea, groundnut, cocoyam and sweet potato. These major crops which accounted for about 75% of total crop sales in 2004 increased from 81,276 thousand tones in 2004 to 95, 556 thousand tones in 2007 (Eyo, 2008).

Problems/challenges of the agricultural reforms, policies and programmes

Evidence from Olayemi (1995), Olomola (1998), Garba (1998) have indicated minimal positive impact of these reforms/policies. The evidence stems from the decaying rural infrastructure, declining value of total credit to agriculture, and declining domestic and foreign investment in agriculture. The increasing withdrawal of manufacturing companies from their backward integrated agricultural ventures has reduced investments in the sector considerably. Input supply and distribution have been hap-hazard and inefficient and most agricultural institutions were ineffective prompting its scrapping in year 2000 of some of the institutions established for agricultural promotion.

A critical examination of the reforms/policies and their implementation over the years show that policy instability, policy inconsistency, lack of policy transparency, poor coordination of policies as well as poor implementation and mismanagement of policy instruments constitute major obstacles to the implementation and achievement of the goals and objectives of these policies.

Policy instability and lack of policy transparency are not unconnected with political instability and bad governance. For example, between 1979 and 1999 the country had five military/civilian regimes. At the federal and state levels, the then Ministers and Commissioners of Agriculture were changed several times on the average of one per two years. Several policy measures were initiated and changed without sufficiently waiting for policy effects or results. At one time or the other, agricultural production passed through periods of protection and unbridled opening up for competition.

Also, it passed through era of “no government” and “less

These could all be attributed to poor coordination and faulty implementation of policies as well as mismanagement of policy instruments.

Agriculture contributed 42% of Nigeria’s gross domestic product (GDP) in 2008 (National Bureau of Statistics). However, despite having grown at an annual rate of 6.8% from 2002 to 2006, 2.8% higher than the sectors annual growth between 1997 and 2001, food security remains a major concern due to the subsistence nature of the country’s agriculture (Nwafor, 2008)

Many of the strategies used to improve agricultural growth in the past have failed because the programmes and policies were not sufficiently based on in-depth studies and realistic pilot surveys (Adebaya et al., 2009). This could be attributed to lack of public participation in the design, formulation, implementation and evaluation of policies as well as limited implementation capacity within the sectoral ministries and a poor understanding of the details and specifics of polices by implementers (Adebayo et al., 2009).

The main factors that influenced the effectiveness of policies on agriculture include high demand for agricultural produce, availability of improved technology, efficient dissemination of information by the ADPs and value added leading to improved income. On the other hand, the common factors responsible for the ineffectiveness of policies and regulations, especially on the downstream segment of agriculture, include instability of the political climate, insecurity of investment, non-standardized product quality, non-competitive nature of agricultural products from the country in the export market due to high cost of production and lack of adequate processing facilities (The New Nigerian Agriculture Policy, 2001).

CONCLUSIONS AND RECOMMENDATIONS

In conclusion, the effects of economic reforms on the agricultural sector can be said to be unsatisfactory in view of its minimal contributions to the sector. In order to stem the aforementioned identified problems and weaknesses of these agricultural policies/reforms in the context of their contributions to the agricultural sector, genuine democracy and good governance should be allowed to thrive in Nigeria. This will guarantee poverty reduction, sustainable livelihood and enhanced food security which will lead to a comprehensive agricultural development as well as the attainment of the Millennium Development Goals (MDGs) in Nigeria.

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