



---

# Land Deals and Commercial Agriculture in Nigeria: The New Nigerian Farms in Shonga District, Kwara State

by Joseph A. Ariyo and Michael Mortimore

---

Paper presented at the  
International Conference on  
**Global Land  
Grabbing**  
**6-8 April 2011**

Organised by the Land Deals Politics  
Initiative (LDPI) in collaboration with the  
Journal of Peasant Studies and hosted  
by the Future Agricultures Consortium  
at the Institute of Development Studies,  
University of Sussex

**Conference of Global Land Grabbing**  
**Institute of Development Studies, University of Sussex,**  
**6-8 April, 2011**

**Land Deals and Commercial Agriculture In Nigeria:**  
**The New Nigerian Farms in Shonga District, Kwara State**

Joseph A. Ariyo<sup>1</sup> and Michael Mortimore<sup>2</sup>

## **INTRODUCTION**

Nigeria's long standing agrarian policy was to transform the entire peasantry of smallholders in the country into modern farmers producing for export (palm oil, cocoa and groundnuts) and national food security (the 'subsistence' sector). This was a common thread linking a succession of interventions in the agricultural sector under both colonial and post-colonial governments (Mustapha and Meagher, 2000). The oil boom, however, together with an over-valued exchange rate, brought about the collapse of groundnut and palm oil exports. Official statistics appeared to show a decline in the output of staple foods during the 1970s, indicating a 'crisis' in food sufficiency, thought to have been provoked by cheap food imports. But projections of mounting deficits were brought into question by evidence that production kept pace with population growth from 1970 to 1982, and that urbanization and the growth of internal markets were responsible for this (Forrest, 1993). This contradiction in perspectives has continued since the introduction of structural adjustment in 1986 and the implementation of numerous interventions (e.g., 'Operation Feed the Nation') by military governments. The strategies involved the provision of rudimentary rural infrastructure, skeletal extension services, education through radio and television broadcasts, occasional credit schemes (of very meagre amounts) and annual rituals of input distribution (in pitiable quantities). In a few places irrigation projects were established and targeted at specific communities (linked in government rhetoric with the need for drought adaptation). Rhetoric and intentions were only rarely matched by the persistence and scale of interventions.

That was the thrust of policy until recently. Nigeria's heavy food import burden is now changing the agricultural policy orientation of the federal government in favour of large scale commercial agriculture. The small-scale sub-sector is considered by many to have failed, notwithstanding the fact that imports are largely made up of wheat and rice, in response to changing preferences among the urban population. Both of them are produced in Nigeria mainly under irrigation (which requires capital). The staples (millet, sorghum, cassava, yams and – to some extent - maize) are produced under rainfed conditions by smallholders and official statistics show some quite

---

<sup>1</sup> Department of Geography, Ahmadu Bello University, Zaria, Nigeria <ariyodele@yahoo.com>

<sup>2</sup> Drylands Research, Cutters Cottage, Glovers Close, Milborne Port, DT9 5ER, UK  
<mike@mikemortimore.co.uk>

buoyant market responses over the long term (eliminating weather effects) after 1986 (Mortimore, 2003).

The policy strategy is to make access to both land and credit on a large scale easier for individuals and corporations using industrial/commercial farm technologies. The necessary subsidies and privileges can be managed better where there is a 'bankable' agricultural project (in other words, transferring agriculture from the informal to the formal sector). Much faith is placed in the technologies of commercial agriculture spreading across the country from the enclaves being created now.

It should be stated that large scale farming is not new to Nigeria. Individuals including a former President) and corporations (such as breweries) have been acquiring land grants from state governments and accumulating land through purchase for many years. The global backdrop of Nigeria's new prioritisation of large-scale commercial agriculture is the World Bank's rediscovered urgency in promoting agriculture as a foundation for development and poverty reduction (World Bank, 2007). However, its emphasis is on making smallholder agriculture more commercially oriented. To this end the Bank has established a range of intervention funds which developing countries can access for building agricultural infrastructure and low interest operational credits for commercial farmers.

A recent World Bank study has identified Africa's Guinea Savanna agro-ecological zone as the world's largest 'under-developed' agricultural resource (Binswanger, 2010). That is, it contains the most extensive potentially productive cultivable land, which could materially benefit global food sufficiency. Kwara State lies within this zone, known as Nigeria's 'Middle Belt', which has relatively low population densities and extensive rotational fallow farming systems. Binswanger and his colleagues highlight a crucial choice between development options which, if not taken by policy, will resolve in favour of politically powerful interests. This choice is between, on the one hand, privileging large-scale farming, with attendant displacement of indigenous populations, unrestricted forest clearance, the likelihood of soil erosion or degradation, loss of land value but massive growth in exports and both private and state revenues; and on the other hand, consistent state support for small-scale producers through provision of infrastructure, institutional development, appropriate technology development and macro-economic policy support. The first option is illustrated in the Brazilian *cerrado* region, now famous for soya; the second option by south-east Thailand, now the home of a prosperous peasantry and a successful exporter of rice. In the long term, the Nigerian Middle Belt and other African savannas face the same choice (unless a 'middle road' of medium-scale farming accessible to the mass of present day smallholders can be devised).

Kwara State's 'experiment' in large-scale commercial agriculture should be viewed in this national and global policy context. There is a range of requirements which commercial agriculture must satisfy in order to be successful. One of these critical requirements is land on which the commercial farmer has a secured tenure. The land must also be abundant if farming is going to be on a large scale and mechanisation is involved. Second, commercial agriculture is capital intensive, so a regular and timely flow of adequate and cheap funds for farm infrastructure, machinery and working capital must always be available. Third, successful commercial agriculture is built on a regular supply of high quality inputs such as fertilisers, agrochemicals and seeds.

Fourth, a pool of skilled labour which should include farm equipment operators, builders, plumbers, electricians, mechanics and low wage labourers at harvest must be readily available to the commercial farmer. Fifth, adequate and regular electric power is required for different purposes as well as efficient transportation to link with equally well developed product markets. Sixth, a stable policy environment which encourages medium and long term investments is as important to commercial agriculture as any other economic enterprise.

The implication of the requirements outlined above is that the state has a pivotal role to play in the growth and sustainability of commercial agriculture (Daramola, 2010). The state has to facilitate access to land and capital, built infrastructure, and evolve macro-economic policies under which the risky business of commercial agriculture can thrive. This is more so in developing countries where tenure systems may impede access to large tracts of land, infrastructure is rudimentary and commercial banks are jittery of providing support for agriculture. The activities of the Kwara State government in promoting commercial agriculture reflect these requirements.

A description of the physical, social and political characteristics of the study area is given in Annex 1.<sup>3</sup>

This study relied primarily on interviews on, and direct observation of the commercial farms, as well as on the farms of local people in the study area. In-depth interviews were conducted with key participants in the establishment of commercial agriculture in Shonga District. The interviewees included four senior level government officials, five Zimbabwean farmers, eight local farmers who lost some of their lands to the commercial farmers, and one pastoralist (Annex 2). The following issues were addressed in the in-depth interviews: Kwara State's long term agricultural policy and its evolution, the coming of Zimbabwean farmers to Kwara State, the rationale for the choice of Shonga, the transformation of the commercial farms into public-private partnership enterprises, land appropriation and resistance management, state support for the commercial farms, production on the commercial farms, markets for the farm produce, the constraints the farmers face, their impact on the local community and the environment, their long term vision in Shonga, and local people's perception of the impact of the commercial farms on their economy and the environment. The study concludes by examining the sustainability of the Shonga experiment, the prospect for up-scaling it and the future of family farms in Kwara State in the light of the strong rural-urban demographic shift in the state.

## **EMERGENCE OF A NEW AGRICULTURAL POLICY IN KWARA STATE**

The pursuit of large scale commercial agriculture by the Kwara State Government in recent years is predicated on the notion that the pathway to socio-economic development is to create a class of commercial farmers who will utilise the large expanse of arable land and equitable climate with which the State is endowed. It all began with the electioneering campaign promise which Dr. Bukola Saraki made in 2003 when he was seeking to be elected Governor. When he eventually won the election, he was immediately confronted by a horde of unemployed and restless youths who had to be

---

<sup>3</sup> The Middle Niger region where Shonga District is well described in Udoh, R. K. (1970) *A Regional Geography of Nigeria*. Ibadan: Heinemann

turned into useful citizens. So, in his first year as Governor, he initiated a “back-to-the-land” programme intended to turn the restless youths into commercial farmers. The programme involved setting aside large tracts of land in many locations across Kwara State and the provision of loans for land clearance, procurement of improved seeds, fertilisers and agrochemicals. Most of the targeted youths did not turn up to participate in the programme. Instead a few farmers and many non-farmers got the package incentives and re-sold them outside Kwara State. The overall performance of the ‘back-to-the-land’ programme was rated very poor (13% to 15%) at the end of the first year.

### **The coming of Zimbabwean farmers**

The farmers who suddenly became landless in the wake of the forced and violent land reform process in Zimbabwe between 2000 and 2002 were an alternative group whom Governor Saraki could target to save his faltering policy of socio-economic development through commercial agriculture. In 2004, with political support from the Federal Government of Nigeria and diplomatic support from the British Government, he invited a five-man delegation drawn from the Commercial Farmers Unions of South Africa and Zimbabwe for a one-week fact-finding visit to Kwara State. The visit, which was paid for by the Kwara State Government, led to the signing of a Memorandum of Understanding (MoU) between the State and the Zimbabwean farmers.

The key aspects of the MoU commit the Kwara State Government to provide (i) suitable land close to River Niger to facilitate year-round farming through irrigation, (ii) infrastructure such as access roads to the farms and electricity, (iii) access to funds, and (iv) assistance to the farming enterprises in obtaining from the federal authorities a pioneer status, which brings exemptions from import duties on agricultural equipment and from taxes on turnover. There are three obligations of the commercial farmers in the MoU. They are expected to (i) incorporate each farm enterprise with US\$80,000 share capital, (ii) contribute 1.0% of their gross turnover to the community trust fund, and (iii) provide instruction at least once a month in the state farm training institute in Shonga and later Malete.

### **State Support for the Commercial Farms**

#### *Land*

The Land Use Act of 1978 vests control of land in the state government. The state governor holds in trust for the people all the land within the borders of a state and can appropriate any part of it for the public good, with compensation payable only for any development that may have been carried out on the land, such as buildings and infrastructure, including crops and economic trees on farmlands. The Kwara State Government invoked the provisions of the Land Use Act to appropriate 13,000 hectares of land from the local farmers in Shonga District, and allocated 1,000 hectares to each of the 13 commercial farmers from Zimbabwe on a 25-year lease, in the first instance, and renewable thereafter, at no cost whatsoever to the farmers.

#### *Infrastructure*

The infrastructure which the State Government provided to aid commercial farming in Shonga District is of two types. There is that provided on the farms, including access roads to the farms and electricity, and that provided to placate the local community whose land was expropriated, which includes electricity, an additional block of classrooms in a local secondary school, Shonga township road resurfacing and general improvement of the road leading to the state capital.

### *Finance*

Most commentators on the support of the Kwara State Government to the white commercial farmers in Shonga reported stupendous amounts which the State Government had advanced to each farmer in the form of interest-free loans, as well as state-guaranteed low interest bank loans. In-depth interviews we conducted with a representative of the Shonga white commercial farmers and senior officials of the Kwara State ministry of agriculture and natural resources revealed a somewhat different story. What became clear in the course of this investigation was that in the area of finance, what the State has been doing all along is to facilitate the commercial farmers' access to bank credits.

Although the initial requirement in the MoU was for each farm to operate as an independent company, the commercial farmers did not come with any money of their own to invest in the farms. They relied solely on the Kwara State Government to fulfil its financial obligations in the agreement to enable them take off. The State Government provided interest free loans in 2005 for this purpose. We could not determine the amount of these loans, but speculations put them between eight and ten million US dollars. In addition and to facilitate access to bank credit, the farmers formed a partnership with the State Government in the form of a consortium named Kwa-Zimbo Enterprises. The consortium took a US\$5 million loan from the Federal Government owned Agricultural, Cooperative and Rural Development Bank.

To ensure that the commercial farmers had steady access to credit, they were first reorganised into three syndicates- dairy, poultry and crop-, and then through the influence of the Governor, a consortium of five commercial banks was drawn in to invest US\$6.6 million as equity in the farming enterprises and another credit advance of US\$6.6 million to the farmers. Kwa-Zimbo Enterprises was renamed, first as Shonga Farms in 2008, and then New Nigeria Farms in 2010. New Nigeria Farms now consists of 16 enterprises- 13 farms, one milk processing plant (Shonga Dairies), one feed mill and chicken abattoir (Valentine Chicken), and one cassava processing plant (Shonga Fufu), which was still under construction at the time of this study. The equity distribution of New Nigerian Farms is as follows: the five banks (45%), the 13 commercial farmers (40%) and the State Government (15%). Government's own expenses on infrastructure have been transformed into its equity share in New Nigeria Farms. A mechanism termed 'Shonga Farm Holdings', consisting of representatives of the banks, the farmers and the State Government has been established to manage the finances of the commercial farms. Individual enterprises now source credit through Shonga Farm Holdings and the participating five commercial banks.

### *Political support*

The political support of the State Government is as crucial as its financial support to the modicum of success the commercial farmers have so far recorded in Shonga. The Governor mobilised state resources - money, personnel and machinery - and put them at the disposal of the farmers during the take-off period. The farmers also have direct access to the Governor, a rare privilege which allows their problems to be accorded priority attention. Another aspect of the political support for large scale farming in the study area is the use of state resources to provide incentives (described below) which were used to manage local opposition to the acquisition of large tracts of land for the commercial farms and to beef up security in the area. The Governor also exploited his position as chair of the national Governors' Forum to secure preferential treatment on matters that concern the commercial farmers and which fall within the purview of Federal authorities, especially between 2003 and 2007, when Chief Olusegun Obasanjo, himself a large scale commercial farmer, was President of the nation.

## THE SHONGA COMMERCIAL FARMS

### The farm plan

Thirty-three farming villages were found in the area ear-marked for the commercial farms. Here the local farmers were practising rotational ('bush') following. They had their cultivated farmlands and their economic tress scattered amongst fallow lands.

The large scale commercial farmers required contiguous farm sites and so some of the farm lands of the local inhabitants were appropriated by the state in order to create large contiguous tracts of land that were then shared out to the commercial farmers. To achieve this with minimum disruption of local livelihoods, a 'buffer zone' was created around each village. The buffer zones extend 500 m from the edge of each village, and within them, the local farmers are allowed to continue farming.

The appropriated land outside the buffer zones was divided into 17 farms and allocated as follows (Figure 1). Farms 1 -12 & 17 (each of approximately 1,000 hectares) were allocated to the commercial farmers. Farms 14 (596 hectares) and 15 (619 hectares) were set aside as 'community model commercial farm sites' to be allocated on the basis of 5 hectare to each youth from the locality who was nominated by the community leader, i.e. the Emir of Shonga. Farm 16 (3,540 hectares) was set aside for farmers whose lands were appropriated. It is interesting to note that no settlement has had to be relocated to make way for the commercial farms. Only those who desired more land than was available in the buffer zones have sought this additional land. About 120 persons have been provided with land in Farm 16. Such farmers do not move house, but commute to the new farm sites.

The commercial farms and their farming enterprises are listed in Table 1 and summarised by enterprise in Table 2. Other commercial enterprises into which the farmers have diversified are indicated in Table 3.

**Table 1: Location of large scale commercial farming enterprises in Shonga (December 2010)**

S/No.	Farm number	Type of enterprise
1	1	<b>Mixed farming- Poultry</b> Soybeans, maize, bananas
2	4	<b>Mixed farming- Poultry</b> Soybeans, maize, bananas
3	8	<b>Mixed farming- Poultry</b> Soybeans, maize, cassava
4	17	<b>Mixed farming- Poultry</b> Soybeans, maize
5	3	<b>Mixed farming- Dairying</b> Soybeans, maize, sorghum, cassava
6	5	<b>Mixed farming- Dairying</b> Cowpeas, maize
7	10	<b>Mixed farming- Dairying</b> Maize, cassava
8	12	<b>Mixed farming- Dairying</b> Cowpeas, maize
9	2	<b>Crops only:</b> Soybeans, maize, rice
10	6	<b>Crops only:</b> Soybeans, maize, cassava
11	7	<b>Crops only:</b> Cassava, sorghum
12	9	<b>Crops only:</b> Cassava
13	11	<b>Crops only:</b> Cassava

Source: Field work, 2010

**Table 2: Summary of Table 1**

Type of enterprise	Number of farmers	Farm location
Mixed farming- <i>poultry</i>	4	1, 4, 8, 17
Mixed farming- <i>dairying</i>	4	3, 5, 10, 12
Crops only	5	2, 6, 7, 9, 11

**Table 3. Commercial enterprises to add value to crops produced**

S/No.	Type and name of enterprise	Owners
1	Milk processing- Shonga Dairies	The dairy farmers
2	Feed Mill- Valentine Chicken	The poultry farmers
3	Chicken Abattoir- Valentine Chicken	The poultry farmers
4	Shonga Fufu	Michael Fields- Cassava farmer

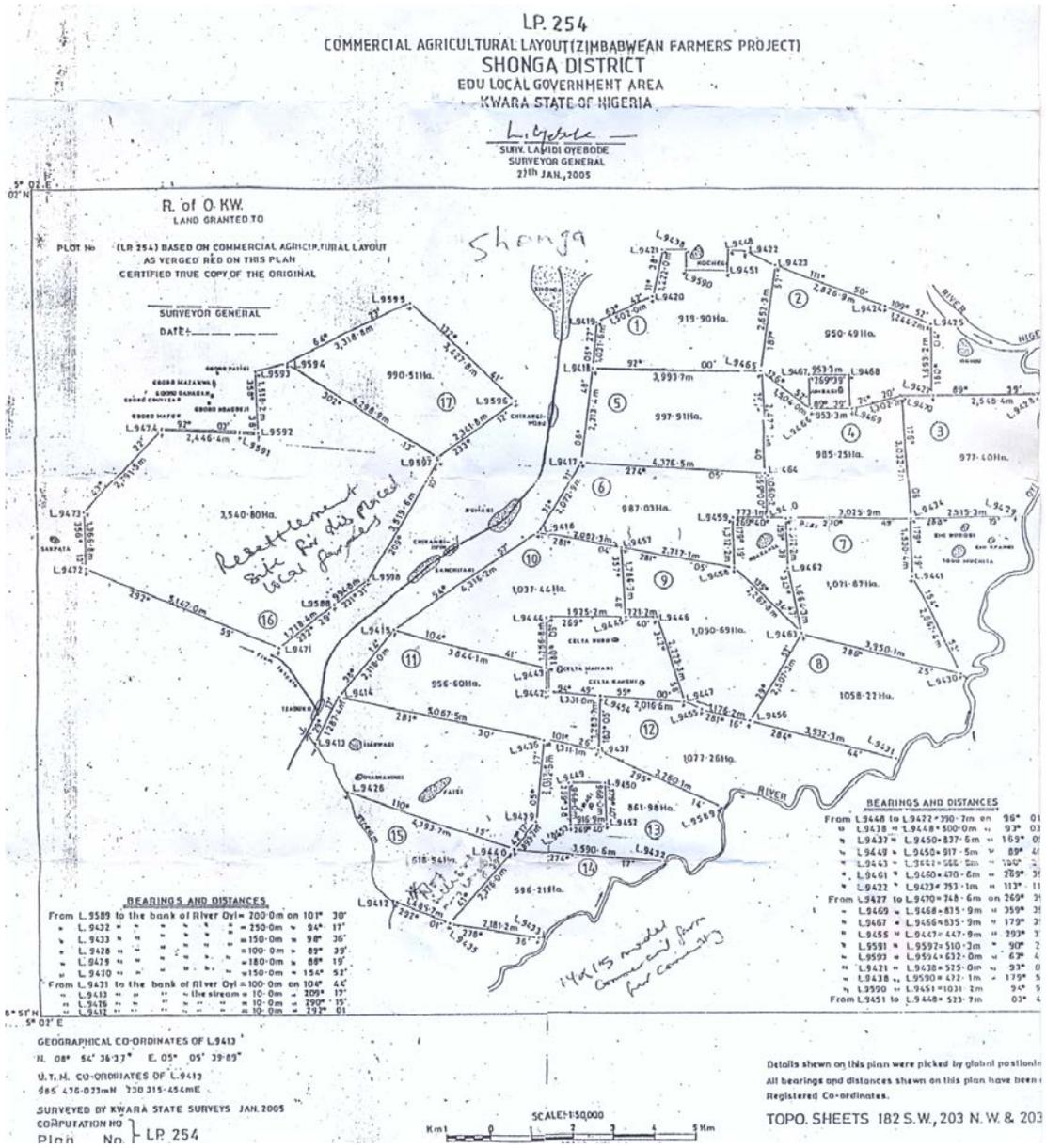
Source: Field work, 2010

### Investments on the farms

The farmers have invested heavily in land clearing, residential buildings and farm infrastructure such as on-farm roads, storage facilities, workshop, equipment, boreholes to supply water for household and farm uses, electricity generators and chicken and livestock pens (by the dairy and poultry farmers). The farmers have developed/cultivated 50 percent or more of the 1,000 hectares allocated to each one of them. One of the dairy farmers we interviewed (Farmer 7), estimated the cost of the fixed investment on his farm to be N250 million or US\$1.6 million. According to one of the five representatives of the Zimbabwe Farmers Union who visited Kwara in 2004 (Farmer 10), they designed and built their own houses and all other infrastructure, of course with the loan guaranteed by the Kwara State Government. He also indicated that the clearing of the land was jointly carried out by the commercial farmers and the State. In this regard, the State Ministry of Works undertook the felling of the large trees found on the lands using its heavy machinery, while each farmer employed local hands to dig up the roots and levelled the land for farm machinery. This is somewhat at variance with media reports that the State Government directly cleared the land leased to the farmers, built residential houses for them and sank boreholes for their farms and homes.

### Production on the commercial farms

We report here the experiences of the five commercial farmers interviewed in the course of this study, Farmers 5 and 7, both dairy farmers, Farmers 10 and 12, both producing crops only, and Farmer 1, a poultry farmer. A common characteristic of these farmers is a life-long experience in agriculture. They came from families of farmers going back several generations.



**Figure 1. Land leased for commercial agriculture in Shonga District**  
Source: Kwara State Ministry of Agriculture and natural Resources

### Dairy farming

Both farmers used the Jersey breed of cattle, imported from South Africa in 2008, to stock their dairy farms in Shonga, on account of its being more heat-tolerant than other known, high milk-producing breeds. While Farmer 7 grows maize (turned into silage), cowpeas and soybeans to feed his cattle, Farmer 5 concentrates on maize (which he hopes to substitute with sorghum) and cassava to feed his animals. The number of cows on Farmer 7's farm has increased from the initial 140 in 2008 to 400 at the time of this study in 2010. The initial herd of 170 cows with which Farmer 5 started his dairying business has also increased to 340 by 2010. At the time of the survey the number of cows producing milk on these two farms stood at 140 and 100 respectively. Two hundred more cows are expected to start producing milk for Farmer 7 in March 2011. At the time this study was carried out in December 2010, the average daily milk

output on both farms was between 10 and 15 litres per cow. This represents a daily milk output of between 2,400 litres and 3,600 litres from the two farms.

In order to add value to the milk produced, the four dairy farmers established a milk processing plant named Shonga Dairies which homogenises milk from the dairy farms as well as milk from the local cattle Fulani. About 10% of the milk supplied to Shonga Dairies is converted into yoghurt and pasteurised milk. Kwara State Government used to buy some of the pasteurised milk for its school feeding programme, but this has since stopped. The main market for the yoghurt is Ilorin, the State capital as well as other large towns in Oyo and Osun States. The remaining fresh milk (c. 90%) is supplied to West African Milk Company (WAMCO), a subsidiary of Friesland Campina of Holland.

### *Crop production*

Farmers 10 and 12, two of the five ‘crops only’ commercial farmers interviewed for this study, have long but varied farming experiences. Farmer 12 had about 47 years of farming experience and grew a variety of crops such as seed crops, soybeans, barley, peas and vegetables in Zimbabwe. He tried maize and cassava in his first year (2005) in Shonga. According to him maize was a disaster in the first year, due the sandy nature of the soil. He has stuck to growing only cassava since then. Farmer 10 on the other hand has 45 years of farming. He was a tobacco farmer in Zimbabwe. He started out in Shonga as a member of the dairy syndicate, but now grows cassava and soybeans.

Unlike the dairy farmers whose cow herds are increasing in size, the crop farmers experience wide fluctuations in the number of hectares they can plant from year to year. Farmer 10 hoped that he would be able to harvest up to 300 tonnes of soybeans when we visited his farm in December 2010. But the lack of time series data from his farm masks the fluctuations in crop output which the farmers talked a lot about. On the other hand, the experience of Farmer 12 which is shown in Table 4 is an eloquent proof of the fluctuations in the size of land planted and, by implication, the volume of crop output. According to Farmer 12, the fluctuations in the number of hectares planted from year to year reflect fluctuations in the flow of credit from the banks for farm operations. In other words, he could plant cassava, his favourite crop, on a lot more land if more funds were available. He opined further that he had to be able to cultivate a minimum of 300 hectares of cassava annually to make a decent profit.

**Table 4: Farm 12: Number of hectares planted 2006 -2010**

Year	No. of hectares planted
2006	300
2007	150
2008	120
2009	380
2010	140

**Source:** Field work, 2010

Only Farmer 13 has a plan to add value to his cassava crop. He is currently building a factory where he plans to turn some of the cassava into *fufu*- a cassava paste that is cooked and eaten with vegetables. Farmer 12, another major cassava producer in Shonga, has given up the idea of transforming his cassava into any product after trying without success to obtain approval from the National Agency for Food and Drug Administration and Control (NAFDAC).

### *Poultry farming*

The four commercial poultry farmers in Shonga at the time of this study were Farmers 1, 2, 3 and 4. They named their enterprises - the poultry farms, feed mill and chicken abattoir - Valentine Chicken. We were only able to interview Farmer 1 whose views, we believe, are representative of the views of the other poultry farmers. According to him, all the poultry farmers were producing tobacco back in Zimbabwe and started out in Shonga growing only crops, such as maize, rice, cassava and soybeans. The decision to diversify into poultry farming was informed by the need to add value to their crops as a means of overcoming the logistics and marketing problems confronting them.

The bird raised on the poultry farms is the *Hubbard*, the only one available within a reasonable distance from Shonga. *Hubbard* day-old chicks are acquired from Yammfy Hatchery at Ilemona, a town near Offa, about 60 kilometres from Ilorin. The chickens are raised under very modern conditions (with air conditioning!) such that they are table-ready in 30 days, instead of the usual six weeks broiler chickens take on less sophisticated farms. Another reason for the success of Valentine Chicken, apart from the level of sophistication of the technology employed, is the high quality of the feed used. The poultry farmers compound the chicken feeds themselves and ensure they contain the necessary ingredients in the right proportions which makes them superior to commercial feed available in the market. Farmer 1 indicated that broiler chicken output started in June 2010 and 20,000 were being slaughtered every two weeks. The dressed chickens are sold directly to eateries in Lagos and Abuja.

### **Market**

From all indications, marketing produce from the commercial farms does not pose a problem at all. According to Farmer 7, the commercial farmers took a cue from Nigeria's import statistics to determine the agricultural products for which there is both a ready market and suitable local environmental conditions for producing them. Nigeria imports huge amount of powdered milk from Holland and China. Although rice and chicken imports have been banned, they still are being heavily smuggled into the country. Other crops such as cassava and soybeans that the commercial farmers produce are also in great demand by industries across the nation. It would appear therefore that the commercial farmers have chosen, right from the outset, to produce commodities for which there is a ready market.

Shonga Dairies has initiated a trade relationship with WAMCO, a major importer of powdered milk and milk processor for the Nigerian market. This has resulted in a contractual agreement whereby Shonga Dairies supplies WAMCO, on a regular basis, a specified quantity of fresh milk that is produced under very rigorous standards that meet international best practices of milk production. The wife of farmer 5 processes a small proportion of the farm's daily milk output into yoghurt in her home, which sells locally in Shonga, while the remaining milk is sold to Shonga Dairies. The poultry farmers have also found ready markets for their chickens in the rapidly growing and more sophisticated cities of Lagos and Abuja. Food processing and starch industries in Anambra, Edo and Lagos States send buyers directly to Shonga farms for cassava and soybeans. A major cassava buyer from Ihiala in Anambra State began setting up a processing plant near the farms in January 2011, in order to reduce the weight of the cassava to be carried away by removing its water content.

### **Constraints to the commercial farms**

The commercial farmers in Shonga face several constraints. The most debilitating of these is inadequate operational funds. The common complaint among the farmers is that access to bank

credit is difficult and slow; and bank credit when granted is always far below what is required each farming year. Farmer 12 was convinced Nigerian banks don't understand agriculture. According to him, no agricultural economists from the banks ever visited the farms to properly appraise their operational plans in order to make realistic recommendations about their loan requests. There is also some degree of preferential treatment of the commercial farmers by the banks. For instance, the bank advanced each dairy farmer 25 million naira (US\$167,000.00) as operational fund during the 2010 cropping season but the 'crops only' farmers got only 12 million naira (US\$80,000.00) in same period.

Another severe constraint is the lack of water for irrigation. The main reason for the choice of Shonga amongst the different sites they were shown was its proximity to the River Niger, the irrigation possibility it offers and the promise by the State Government that an irrigation project would be built. The irrigation project is still at a very early stage, and so the farmers are limited to rain-fed agriculture. Farmer 9, one of the 'crops only' farmers, cannot wait any longer for the completion of the irrigation project promised by the state. He has started constructing a pilot irrigation scheme of his own. The project was at an advanced stage when we visited the farm in January 2011. Presently he grows soybeans, maize and rice. He plans to change to growing only rice several times a year when his irrigation project is completed.

Irregular public power supplies, and the poor state of the Nigerian roads, are the other two problems facing the farmers. Until the power from the national grid became available a few months ago the farmers relied on diesel powered generators to supply electricity to their homes and farms. Even now the cost of providing power to the homes and farms has only reduced slightly because diesel generators are still being used to provide electricity when there is a power cut, which may happen several times a day. For instance, the poultry farms require 24 hours of steady electricity supply every day for the optimum performance of the sophisticated broiler chicken pens. They have to put on their diesel-powered generators whenever there is a power cut. As we noted earlier, the markets for Shonga farm produce are in distant places and the only way of reaching them is by the over-used and poorly maintained Nigerian roads, which adds to the logistical cost of the farmers and their customers.

### **Long term vision of the commercial farmers**

Pointing to the good physical environment for farming and a large national market for agricultural products, the farmers perceived the prospects of large scale commercial agriculture to be very good in Shonga District and other parts of Nigeria that share similar characteristics. Their medium term vision is to step up production of at Shonga farms by putting a larger proportion of their land under cultivation, expand broiler chicken production and increase daily milk output per cow to 20 litres. In the long term the farmers would like to be able to produce for domestic and export markets. But a lot depends on how the constraints facing commercial farming in Shonga are managed, especially the constraints posed by the lack of access to adequate operational funds. We noticed some degree of discouragement among the farmers, especially those growing only crops. They express the fear that the whole 'Shonga experiment' might fail if the bank loan problems are not sorted out quickly.

## **IMPACT OF SHONGA COMMERCIAL FARMS**

### **Land appropriation and compensation**

A total of 13,000 hectares of land were appropriated by the State from the local people in Shonga District for the white commercial farmers who moved there in 2005. Additional 4,656 hectares

were also appropriated for collateral uses, that is, uses arising from the advent of large scale commercial farming in the area. These are Farms 14, 15 and 16 (Figure 1) which have been set aside to be allocated to local farmers who lost some of their lands to the commercial farms (Farm 16) and for setting up model commercial farms by individuals nominated by the community leader (Farms 14 and 15).

The appropriation of such a large expanse of land by the State was naturally greeted with a lot of protests, sometimes violently, by the local people, farmers and pastoralists alike. For the farmers, it has restricted the area available to practise rotational bush fallowing, a main feature of their farming system which lessens their dependence on chemical fertilisers. It has also reduced the rangeland available to settled pastoralists as well as nomads who migrate to the area in the dry season to graze their livestock. The communities affected by State land appropriation for commercial agriculture in the study area are shown in Table 5.

**Table 5. Communities affected by land appropriation for commercial farming in Shonga District**

S/No.	Locality name	Number of people affected and paid compensation
1	Shonga town	524
2	Chita	252
3	Goro	151
4	Emidorogi	74
5	Todo	112
6	Zanztigigu	384
7	Chukaji Tafen	33
8	Chitakashi	48
9	Ogudu	64
10	Chita Boro	44
11	Saduko	112
12	Tsapata	63
13	Gboro Ndagbeyi	34
14	Gboro Patigi	31
15	Kpatako	64
	<b>Total</b>	<b>1990</b>

**Source:** Kwara state Ministry of Agriculture and Natural Resources

The State Government seems to have managed local resistance to land appropriation in the study area fairly successfully. One way it has done this is by beefing up security in the area. A new police post was sited within the commercial farm area at the height of the agitation against land appropriation for the white farmers. However, we found the police post abandoned during our visit to the study site in December 2010, an indication of a growing rapprochement between the commercial farmers and local people.

A far more important strategy the state has employed in managing local resistance here is the creation of buffer zones around each village within the areas allocated to the commercial farmers. The local people continue their farming and related activities within the buffer zones. Thus, land allocation to the commercial farmers did not warrant the immediate uprooting of the local people from their villages. Another related approach is the agreement reached with the commercial farmers which allows local people to plant crops in commercial farm areas not yet

being cultivated and to access other natural resources such as wild fruits, grasses and firewood available in them.

Financial incentives were also used by the state to manage local resistance to land appropriation in Shonga District. At the time of this study a total of 86 million naira (US\$58,000.00) has been paid as cash compensation to 1,990 out of the 2,771 local people who were affected by land appropriation. They include those who gave up some of their lands under cultivation, or fallow lands, or both, to accommodate the commercial farms. At the time of our visit, the remaining 781 affected people were yet to receive their compensation because, according to officials in the State Ministry of Agriculture and Natural Resources, their claims are being contested. Verification of the authentic owners and the actual sizes of the lands these people claimed to be their own was still ongoing.

A monetised agricultural incentive package was also presented to the affected people. The amount was 11,000 naira (US\$73.00) per hectare for land preparation, up to a maximum of one third of the land area lost. Each farmer was also given a bicycle and 3,000 naira (US\$20.00) for input procurement. It turned out that many of the local people who gave up no land at all for the commercial farms got only a bicycle and the input procurement grant of 3000 naira. These are the people who complained bitterly of gross inadequacy of the compensation paid by the State.

#### **Impact on local employment**

Commercial agriculture has substantially increased the demand for labour that should generate a significant income multiplier effect on the local economy. The size of direct employment on the farms is close to 3000 at peak period. Except for the farm managers who came from Zimbabwe, most of the workers are from the local communities and amongst them are a few return-migrants, lured back by the prospect of a steady job on the farms. There is also a number of artisans and technicians who provide services on the farms and in the homes of the farmers for a fee. Some of these reside in Shonga town and surrounding villages while others come from as far away as Ilorin.

#### **Impact on agricultural practices in the study area**

The main visible impact the commercial farmers have had on local practices is the wide adoption of soybeans by Nupe farmers and better crop management, especially keeping to the right seed population and timely weeding. In the area of improving the local cattle breed, Farmer 7 has been working with a pastoralist who has a large herd to develop better milk-producing cows through careful selection over several generations. We were told that promising results have been achieved and the pastoralist hopes to establish his own dairy outfit. Another way the farmers have impacted positively on the local pastoralists is by providing a steady market for their milk. In this regard Shonga Dairies purchases approximately 150 litres of milk daily from the local Fulani at 100 naira per litre which translate to a daily income of US\$100.

#### **Impact on environment**

Although the extensive treeless areas of the commercial farms make a striking visual impact, the commercial farms have so far had a minimal impact on the environment of Shonga District. Whereas trees adjudged to be of economic value, such as shea butter and locust bean trees, are left standing on the farms of the local people, the commercial farms have been cleared of all trees from the lands on which they currently plant crops. However, the 'no till' planting method the commercial farmers use minimises soil erosion on the farms. But the farms of the local people suffer more erosion, in spite of the trees left standing on them, because the practice of annual ridging leaves the sandy soils more vulnerable to being washed away by rain.

## **LOCAL PERCEPTION OF THE EFFECTS OF THE COMMERCIAL FARMS**

Eight local farmers who lost some of their lands to the commercial farms were interviewed in order to assess the general local perception of the effects of the commercial farms in the area. The average family size among the eight selected farmers was ten. They were growing crops - rice, maize, sorghum, yams, cassava, melon and ground nuts - before the coming of the commercial farmers. Four of them have adopted soybeans since the advent of large scale commercial agriculture in the area. All of them also embraced one form of secondary livelihood or another. The average number of scattered farm lands owned by the eight selected farmers was three (scattered in different locations) while the average size of all the farmlands owned by individuals was 4.5 hectares, of which not more than two hectares were cultivated in any one year.

All the eight local farmers selected for interview adjudged the compensation they received from the state inadequate. When pressed for explanation, a few said they could not comment while the others gave reasons such as 'money is never enough', 'farm inputs are too costly', 'I prefer my land to monetary compensation'. In assessing the additional lands (Farm 16), three of the eight considered it satisfactory because, according to them, it is a fertile (virgin) land which has been cleared by the State and has plenty of room to practice rotational bush fallowing. The other five considered the site unsatisfactory because they claimed it was too far from their residence and there was too much stealing there.

With regard to access to natural resources such as wood, wild fruits, grasses and rangeland, all the eight respondents reported that they still have free access to these resources in the buffer zones, but they have been cleared off the commercial farms. A pastoralist also indicated that he has been restricted to grazing his livestock in the buffer zone and has to take a much long route to reach water sources in the dry season.

On a general note the few selected local farmers considered the commercial farms have impacted positively on the area. They cited employment of local people on the farms, provision of infrastructure in the district such as electricity, mobile phones, water from boreholes, and upgrading of Shonga township road as some of the positive developments. The long term prospects for development in the District would be good, they said, if the State Government continues to invest in infrastructural development in the area.

## **CONCLUSION**

The Kwara Government's initiative in promoting commercial agriculture on the spring board of 13 white farmers from Zimbabwe has drawn considerable attention in the media, and Shonga Farms are reputed to have played host to over 50,000 visitors between 2005 and 2010. The spectacular results Shonga Farms have achieved in the short time of their existence, the constraints confronting them notwithstanding, testify to the indispensable role of the State in creating the enabling environment required for commercial agriculture to thrive (Mustapha, 2010).

At the same time the Shonga experiment raises a fundamental question: even though these farms have transformed into public-private-partnership ventures, is the pattern of investment that characterises them replicable - can it be scaled up at the same huge financial cost to other parts of the State, and indeed, Nigeria? Eighteen private investors are reputed to be currently engaged in commercial agriculture under public-private-partnership arrangement in different parts of Kwara State (Annex 3). It would be interesting to examine the pattern of investment in these other

commercial agricultural ventures and the level of state support they enjoy, bearing in mind that the “experimental group” in Shonga brought no private funds of their own to invest in agriculture in the State. In addition, the impacts of these commercial farms on the environment and people where they are located as well as their contribution to food security and poverty reduction are worth investigating.

Another question thrown up by the Shonga experiment is how the majority smallholder peasants feature in this policy shift towards large scale commercial agriculture in Kwara State. It appears the State is pursuing a two-pronged approach to transforming smallholder peasants in the state into commercial farmers. The first aspect of the approach involves support to small scale farmers in the form of subsidised inputs and 300 new tractors (between 2003 and 2010) at 50 percent subsidy. The second aspect of the approach is a crop out-growers scheme in which farmers are trained to grow particular crops. Thereafter they are supported with inputs and assured of markets for their produce through a buy-back mechanism. What types of state support are given to these schemes and how adequate are they? What has been the response of the peasants? What are the outcomes? These will be interesting questions to explore.

We observed earlier that, at the outset of his administration, Governor Bukola Saraki initiated an unsuccessful back-to-the-land programme, which was focused on getting the youths interested in agriculture. Many of the youths who were the target of the scheme never farmed before or had been off the farm for a long time. So it was no surprise that they did not respond to an agricultural scheme based on hoe and cutlass technology. A new youth empowerment programme through agriculture was launched which aims to train young people in all aspects of commercial farming. Two such training centres have been established, one in Shonga and the other in Molete. After the training, the State assists them to access bank credit and land in their respective local government areas. These youths are expected to be the backbone of commercial agriculture in the State. The programme therefore deserves a thorough assessment for lessons that may be learned to improve it.

This study is essentially about land. So a major concern about the presence of the commercial farmers in Shonga is the impact it might have on land sufficiency for the local farmers who need it in abundance to accommodate their rotational bush fallow farming system. It may be argued that land will soon become short or exhausted in the enclaves or buffer zones into which the local farmers have been restricted. And when that happens, the relationship between them and the white farmers may turn sour. A counter argument is that the farming population in the area, and indeed the whole of Kwara State, is decreasing, not increasing, and there will always be sufficient land for the smallholder farmer. An extension of that argument is that the growing labour supply constraints will make mechanisation, and by implication larger farm sizes, necessary and viable (World Bank, 2010). A salient observation is that the Nigerian population is already roughly equally divided between rural and urban – materially affecting the ratio between food producers and consumers.

Kwara State seems to be pursuing three models of developing commercial agriculture. The first, which is the subject of this paper, is the high profile, well subsidised, large scale commercial farm model in Shonga, which is also been replicated around the State. The second model involves training young people and empowering them with state support to become commercial farmers. The third is the age-long model of providing a modicum of incentives, such as subsidised inputs, to smallholder farmers and leaving them to their own devices to move agriculture forward; only in the recent Kwara case, some training of the farmers is involved. Not

only are these models contesting for state resources, there are strong economic and political interests supporting each one. So it is apt to ask, “whither agriculture in Kwara State?”

## References

- Binswanger, Hans *et al* (2010) *Awakening Africa's Sleeping Giant: Prospects for Commercial Agriculture in the Guinea Savannah Zone and Beyond*.
- Daramola, Biyi (2010) “Public-Private Partnership in commercial agriculture in Nigeria: issues, constraints and prospect.” Keynote paper presented at a national seminar at ARMTI, Ilorin, 2 December 2010
- Forrest, T. (1993) *Politics and economic development in Nigeria*. Boulder, Colorado: Westview Press
- Mortimore, M. (2003) ‘The future of family farms: what can we learn from long-term data? *Drylands programme Issue Paper 117*. London: International Institute for Environment and Development
- Mustapha, A.R. and Meagher, K. (2000) ‘Agrarian production, public policy and the state in Kano region, 1900-2000. Working Paper 35’ *Kano-Maradi study of long-term change*. Crewkerne, Somerset: Drylands Research.
- Mustapha, A. R. (2010) “Zimbabwean Farmers in Nigeria: Exceptional Farmers or Spectacular Support”- *in press*
- World Bank (2007) *World Development Report 2008, Agriculture for Development*
- World Bank (2010) *Rising Global Interest in Farmland: Can It Yield Sustainable and Equitable Benefits?*

## Acknowledgement

The authors grateful to the Shonga farmers, both indigenous and Zimbabwean, for their friendly and patient cooperation with the researchers and to many Kwara State Government officials who made our enquiries possible.

## Annex 1: the Study Site

Shonga District, where the commercial farms under study have been established, lies in the Guinea Savanna, alongside the Niger River, but elevated above the flood plain. Most of the area consists of a gently undulating plain drained by shorter rivers originating from the south and flowing northwards into the Niger.

The study area experiences high temperatures all year round. The mean maximum temperature is 32°C, with slightly lower figures in the cooler months of December and January. The mean annual rainfall here is about 1,500mm, most of which falls between the months of March and October. The vegetation is open woodland which is a transition between forest and grassland vegetation. The common tree species in the study area are the shea butter (*Butyrospermum*

*paradoxum*, subsp. *parkii*), locust bean (*Parkia biglobosa*), tamarind (*Tamarindus indica*), balsam (*Daniellia oliveri*), African birch (*Anogeissus leiocarpus*), mahogany, (*Khaya senegalensis*), axel wood (*Prosopis africana*). The shea butter tree is the most common on the farms. The dominant grass species is gamba grass (*Andropogon gayanus*) commonly used as a fencing material. Although the marked differences noticeable in both the floristic composition and the open character of the vegetation are caused by variations in soil types, topography, and ground water, the anthropogenic factor has been by far the deciding factor in turning forest into grassland in the study area. While land currently under cultivation features scattered economic trees and grasses, land under fallow supports a much greater tree density of diverse species.

The soils of the study area belong to the ferruginous tropical soil group which have developed on deeply weathered metamorphic parent rocks. These soils have a sandy surface texture and more clayey subsoil which give them a good moisture retention capacity and adequate aeration. Waterlogging is rare and brief. Another important characteristic of the Shonga soils is that they have sufficient rooting depths for most crops, and are neither too coarse nor too fine-textured for root development. The main management problems of the soils arise from the fact that they undergo rapid deterioration under cultivation and rainfall due to poor aggregation of materials. Such degradation is usually manifested by the formation of a pan or by general compaction. Under natural vegetation, erosion of the soils is very low. But when the vegetation cover is removed, and especially if the soil is tilled, the erosion problem can be very serious.

Like the rest of the areas along the River Niger and indeed the Middle Belt of Nigeria, Edu Local Government Area of which Shonga District is a constituent part has a land area of 2,542 km<sup>2</sup>, a total population of 201,642 in 2006, and an average population density of 79 persons per km<sup>2</sup>. The low population density in this part of Kwara State, its vast arable land, favourable climate and the presence of a large and perennial like River Niger are the attractions for large scale commercial farming.

Shonga District is inhabited largely by the Nupe ethnic group which also dominates the rest of Edu and Patigi local government areas in Kwara State as well as several other local government areas in Niger State. The Nupe are predominantly smallholder farmers. Annually each farmer cultivates between one and two hectares of land<sup>4</sup> and plant a variety of crops including rice, cassava, yams, cowpeas, sorghum and maize, using mostly family labour. The farming system in practice here is essentially mixed cropping and rotational bush fallowing. The fallow period is estimated to be between 15 and 20 years which gives the land sufficient time to replenish its nutrients naturally. Fishing in the Niger River and local crafts are some of the supplementary livelihoods of the people of Shonga. The Emir of Shonga is the centre of political organisation in the District. As in other emirates of Northern Nigeria, the Emir is more respected than the modern political leadership, whether under the military or elected civilian dispensation. The efficacy of a highly respected traditional institution such as that of the Emir was fully exploited by the Kwara State Government in managing local resistance to land appropriation for commercial agriculture.

---

<sup>4</sup> Kwara State Ministry of Agriculture and natural Resources (2009) *Kwara Farmers Census*

*Annex 2: commercial and local farmers and government officials interviewed*

S/No.	Name of interviewee	Remark
	<b><i>Commercial farmers</i></b>	
1	Farmer 7	Dairy farmer
2	Farmer 5	Dairy farmer
3	Farmer 10	Crop farmer
4	Farmer 12	Crop farmer
5	Farmer 1	Poultry farmer
	<b><i>Local people</i></b>	
6	A	Local farmer
7	B	Local farmer
8	C	Local farmer
9	D	Local farmer
10	E	Local farmer
11	F	Local farmer
12	G	Local farmer
13	H	Local farmer
14	J	Local pastoralist
	<b><i>State officials</i></b>	
15	Prof. Mohammed Gana Isa	Kwara State Commissioner for agriculture and Natural Resources
16	Mr. A. O. Oyeniya	Permanent Secretary, Kwara State Ministry of Agriculture and Natural Resources
17	Mr. O. O. Abifarin	Assistant Director, Kwara State Ministry of Agriculture and Natural Resources
18	Mr. I. A. Yahaya	Chief Planning Officer, Kwara State Ministry of Agriculture and Natural Resources

**Annex 3: Private investors currently engaged in commercial agriculture under Public Private Partnership arrangement in Kwara State**

<b>S/No.</b>	<b>Name</b>	<b>Project detail</b>	<b>Size of land allocated (ha)</b>	<b>Location: Local Government Area (LGA)</b>
1	New Nigeria Farmers	Crops, dairy and poultry	13,000	Shonga, Edu LGA
2	OLAM Nigeria Limited	Rice processing and out growers scheme	20	Patigi, Patigi LGA
3	Coga Farms Limited	Cultivation of cassava, maize and jatropha plantation	6,000	Fallah, Moro LGA
4	Gill Flour Mills Limited	i. Rice processing factory ii. Paddy rice production	50	i. Tsaragi, Edu LGA ii. Echi-Wada, Patigi LGA
5	African Chicken Farm Limited	Integrated poultry production	615	Iponrin, Ilorin East LGA
6	Lix- Konti Ranch & Industries Ltd	Cultivation of arable crops such as maize, soybeans seeds and groundnut. The company is to build vegetable oil mill	756	Ejidongari, Moro LGA
7	Kwara Greens Limited	Production of vegetables and flowers.	50	Oro-gbangba, Asa LGA
8	Jatropha Framers Development Foundation.	Cultivation of Jatropha for production of Bio-diesel	5,000	Iwo, Isin LGA
9	Casplex Ltd	Cassava production and processing complex. Ethanol production and generation of biogas.	15,000	Okuta, Baruten, LGA
10	Jan-Kasal Company	Industrial starch, ethanol and glucose syrup.	5,000	Ndanaku, Patigi LGA
11	ZJS International Company Ltd	i. Cultivation of arable crops such as maize, rice, soybeans, etc. ii. Establishment of a household equipment factory	5,000	i. Echi-Wada Patigi LGA ii. Akunyun/Faje, Asa LGA
12	Dawacom International Ltd	Cashew processing plantation	3,000	Oke- Ola Oro Irepodun LGA
13	Tunslaq Nig. Ltd	Production and processing of cassava, maize and establishment of feed mill.	500	Agbeyangi, Ilorin East LGA
14	Dana Foods Ltd	Rice farming and growers' scheme	11	
15	Future Energy Ltd	Planting of Jatropha for bio-diesel.	5,000	Shao, Moro LGA
16	EnviroFriendly Energy Ltd	Cultivation of Jatropha for bio-diesel production & establishment of refining complex.	9,369	Daru/ Laslwa, Moro LGA
17	Full valve farms	Integrated farming	5,000	Alasoro, Ifelodun LGA
18	Green Country Ltd	Crop production, livestock/ animal husbandry and agro-forestry.	1,000	

**Source: Kwara State Ministry of Agriculture and Natural Resources**