Young people, farming and food

International Conference on the future of the agrifood sector in Africa

19-21 March, 2012, Accra, Ghana

Youth employment in agriculture: a development dilemma in Nigeria

Joseph Ayodele Ariyo[1] and Michael Mortimore[2]

Introduction

Youth farming is a dilemma of agrarian policy that has defied resolution for decades. This short discussion illustrates the dilemma in relation to a recent attempt to introduce an enclave of large-scale commercial farming in Kwara state.

The Shonga Farms – a narrative

In 2004 Governor Bukola Saraki of Kwara State, with political support from the Federal Government of Nigeria and diplomatic support from the British Government, invited a five-man delegation from the Commercial Farmers Unions of South Africa and Zimbabwe for a one-week fact-finding visit to his 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. A year later, 13 farmers arrived at Shonga to take up long leases, each of 1,000 ha, for commercial (large-scale) farming.

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 a community trust fund, and (iii) provide instruction at least once a month in the state farm training institute in Shonga (and later, Malete).

The land which was allocated to the new arrivals was a patchwork of arable fields, long ('bush') fallows and unused woodland, with scattered small villages. In addition to the 13,000 ha leased to the commercial farmers, an additional 4,656 ha were acquired for compensation of local farmers who lost some land and for setting up 'model commercial farms' for individuals nominated by the Emir of Shonga. Compensation in cash and kind (bicycles and inputs) was paid to 1,990 claimants. The villages, however, were not affected, and no-one had to move residence; a 'buffer zone' of 500 m radius around each preserved the rights of cultivators.

[1] Department of Geography, Ahmadu Bello University, Zaria, Nigeria
ariyodele@yahoo.com
[2] Drylands Research, Cutters Cottage, Glovers Close, Milborne Port, Sherborne DT9 5ER, UK
mike@mikemortimore.co.uk (Corresponding Author)

The 13 farms were partially cleared, supplied with road and electricity infrastructure, and organised into enterprises specialising in poultry (four farms), dairying (four farms) and crops only (five farms). The first farming season was in 2006. By 2011, broiler chicken pens, abattoir and dressing plant, milk processing and storage plant had been built, with a sideline in yoghurt production, cattle breeding had commenced, and sprinkler irrigation had been partially completed on one farm. Cassava processing into *fufu* was planned. The major crops tried thus far included soybeans, maize, sorghum, cowpeas and cassava. Rice development was held up by the lack of irrigation equipment. Houses, farmyards and sheds for crop and equipment storage had been designed and constructed by the farmers themselves.

Access to bank loans guaranteed by the State Government was critically important as none of the farmers was able to bring capital from Zimbabwe. The State Government mobilised equipment to assist with the removal of large trees. However, land clearance stopped at about 50 percent of the intended cropped area, and to achieve an adequate threshold of profitability, a larger cultivated fraction is required. Loans for this and for other expansion have been slow to come, especially for the crops-only enterprise group, which is the least viable as it has not been able to realise the potential for rice production. In 2011, three of the five banks in the consortium were classified as 'distressed' by the Central Bank of Nigeria, sharply worsening the capital availability for that season. The recruitment of an additional bank, with experience of agricultural lending in South Africa, is hoped to alleviate the financial situation in 2012.

All the products are sold in Nigerian markets. Broiler chicken capacity of 100,000/ month is directed to chain eateries, mainly in Lagos; the milk is sold to a powdered milk processor in Lagos; yoghurt is sold locally and in the state capital, Ilorin; soybeans and the grain crops are partly fed to livestock (maize, sorgum and cowpeas) and partly sold outside Shonga; and cassava began with buoyant demand in southern Nigeria including a buyer from the south-east who planned to build a processing plant nearby to reduce transportation costs.

However, notwithstanding the relatively equable climate of the Southern Guinea Savanna agro-ecological zone, risk exposes some enterprises beyond the apparent capacity of the banks to underwrite. A sudden downturn in the cassava market in 2011 has left at least one producer with unsold, rotting crops in the field, and a shortage of rainfall in mid-season damaged the maize crop. The soils are less fertile than initially assessed, and maize has not responded well; some dairy producers prefer to buy fodder maize from local farmers. Poultry enterprises are doing best, but the costs of running highly sophisticated, air conditioned plant are adversely affected by electricity outages when generators have to be used. Farmers compound the chicken feeds themselves, and use the best available day-old chicks (from a hatchery in Ibadan, 220 km away) to obtain maximum growth rates. Milk producers suffered losses when flooding closed down the Lagos processing plant for a month in 2011.[3]

Agrarian policy dilemma

From the 1970s onwards, an oil boom in Nigeria decoupled food production from demand, by making it possible to import cheap food from abroad – a strategy which still continues. Meanwhile agricultural exports (groundnuts, cotton, cocoa and palm oil) lost their competitive edge in world markets owing to an overvalued currency. It is not surprising that there was 'a pervasive feeling at the time that the country was on the cusp of an agrarian crisis' (Mustapha and Meagher, 2001)[4]. One

[3] The Shonga experiment has attracted interest from many directions, including Mustapha, A.R. (2010) 'Zimbabwean farmers in Nigeria: exceptional farmers or spectacular support', in press.

[4] Mustapha, A.R. and Meagher, K. (2001) 'Agrarian production, public policy and the state in Kano Region, 1900-2000' *Kano-Maradi study of long-term change: Niger-Nigeria Series.Working Paper 35.* Crewkerne, UK: Drylands Research.

federal intervention followed another yet failed both to bring about the desired 'modernisation' of agriculture and to slow down a growing exodus of labour to the cities. Projections of food deficits were made by experts – one study predicted a deficit of 6.6 million tons of grain equivalent by 1985. Yet Nigerian farmers 'were to confound these experts and undermine their scientific pretensions' (Forrest, 1993).[5]

After the introduction of structural adjustment policies ('SAP') in 1986, negative perceptions of the performance of the agricultural sector persisted, influenced by the volume of food commodity imports and the high prices of fertilizers. However, food production kept up with the rate of population growth through the 1990s, not only yams and cassava (which did extremely well) but even of millet and sorghum, which increased from as early as 1978, though more slowly. Evidence from FAO statistics suggests that in West Africa, even under conditions of low and erratic rainfall, the production of food commodities kept up with population growth in the long term.[6] During this period, the food commodity markets in Nigeria, driven by urbanization, were strong.[7] But there was (and still is) much poverty, restraining demand. The best construction of these data – ithasbeen argued - is that demand rather than supply factors constrain output at the macro-scale, especially where smallholder economies lack export markets for staple foods.[8]

Nigerian agrarian policy, since early colonial times, has been predicated on small-scale peasant farming with two goals: subsistence (or food security) and a marketable 'surplus' – originally for export – for which economic incentives were provided. Continuing belief that this strategy is failing has engendered increasing interest in alternative ways of promoting the new technologies that are popularly considered to be more 'efficient'. The new policy strategy (especially in Kwara State) is to make access to land and credit easier for individuals or 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.[9] This is despite the fact that the World Bank is now emphasising making smallholder agriculture more commercially oriented.[10]

The implication is that the state has a pivotal role to play in the growth and sustainability of commercial agriculture.[11] 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.

Youth farming to the rescue?

---

[5] Forrest,T. (1993) *Politics and economic development in Nigeria.* Boulder, Colorado: Westview Press (cited in Mustapha and Meagher, *ibid.,* p.36

[6] FAOSTAT. Rome: Food and Agriculture Organisation of the United Nations.

[7] Ariyo, J.A. and Voh, J.P. and Ahmed,B. (2001),'Long term change in food provisioning and marketing in the Kano Region, 1960-2000. *Kano-Maradi study of long-term change: Niger-Nigeria Series. Working Paper 34.* Crewkerne, UK: Drylands Research.

[8] Mortimore, M. (2003) 'The future of family farms in West Africa. What can we learn from long-term data? *Drylands Programme Issue Paper No. 119.* London: IIED

[9] Large-scale farming is not new to Nigeria however. Individuals (including a former President) and corporations (such as breweries) have been accumulating land through purchase and grants from state governments and for many years.

[10] World Bank (2007), *World Development Report, 2008.Agriculture for development.* Washington, DC: The World Bank

[11] Daramola, (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

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 won the election, he was immediately confronted by a horde of unemployed and restless youths who had to be turned into useful citizens. So, in his first year as Governor, he initiated a "back-to-the-land" programme. This involved setting aside large tracts of land in many locations across the State, and the provision of loans for land clearance and procurement of improved seeds, fertilisers and agrochemicals.

Most of the targeted youths did not turn up. Instead, a few farmers and many non-farmers got the package incentives and re-sold them outside the State. The overall performance of the 'back-to-the-land' programme was rated very poor (13% to 15% rate of return) at the end of the first year.

Many of the youths who were the target of the scheme had 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 has not yet been thoroughly assessed.

Financial and land constraints in youth farming

Finance is the major constraint, and unless they have advocates in the administration, the youth farmers have great difficulties in accessing the loans. Some trained youth farmers (five per Local Government Area) who had already obtained land, and were guaranteed by very senior state civil servants, got financial assistance (US$1,333 each) in 2010. Financial allocations to trained youth farmers which were captured in the 2010 budget were rolled over into the 2011 budget. It was expected that an intervention by the Federal Government and the Central Bank of Nigeria through a 'commercial agricultural credit scheme' would materialise. Some money from this scheme came to Kwara State late in 2011; and disbursements were made to some trained youth farmers who belong to registered cooperatives (US$1,994 per farmer). There is a provision for youth farmers in the 2012 budget proposal.

No specific financial mobilisation through Local Government Areas by the state government has been made. A controversial LGA/State Government joint account system is a major constraint to LGAs, which complain that they could execute more development projects if their allocations from the federation accounts go directly to them.

Without the State Government's intervention, access to land may be a problem in some LGAs (except in Shonga, where the land for nominated youth farmers has already been acquired by the government). To allocate land the State Government has to invoke the Land Use Act of 1978, which vests suzerainty in the Governor. To accommodate the youth farmers in locations scattered about the State, costly procedures and delays are inevitable.

Thus the scale and momentum of the youth farming schemes is insufficient for them to fulfil the role of new technology users and diffusers, and the dependence of trained youth farmers on external sources of financial support is as great as that of the large-scale commercial farmers. It appears that no attempt has been made to involve the commercial banks in youth farming schemes. There is no enabling law to which youth farmers can have recourse when denied access to farm land.

The State government should consider enacting a provision (consistent with the Land Use Act) which would make it possible for a trained youth to obtain agricultural land on a long lease.

Most of the nearly 300 young men and women trained under the 'youth empowerment programme' have not enjoyed the support (land and credit) promised them by the State. The 'community model commercial farm' scheme at Shonga has not taken off. No land has been allocated to anyone from the 1200 ha set aside for that this purpose. 'Off-the-record' comments among state officials imply that there are no interest groups at the state or local level pushing for the implementation of the programme. Thus it appears that the potential for up-take of new technology in other parts of Kwara State is in jeopardy.

Critique and conclusions

When land was free, and the average cultivated fraction was about 35 percent nationally (1970s), the strategy at both community and individual level was to expand output by taking in more farmland. That percentage has since doubled. In many (though not yet all) areas, there is little unclaimed land remaining. Intensification is an imperative. But it needs capital; as family members depart for the city, labour has to be hired, and as soil nutrients are steadily taken away, compensating inputs must be purchased. Thus, agriculture is becoming less to do with subsistence and more of a business. And this means that finance is a major driver throughout the sector, to an extent not experienced before. This is relevant to both large-scale farming and youth farming.

Youth farming, and agricultural development in general, are embedded in the complex, interactive system that is modern Nigeria. Population growth means more labour or skills and more consumers. Urbanization, however, means less labour or skills but even more consumers. The probability that Nigeria is approaching an urbanised fraction of 50% represents an unprecedented opportunity for the commercialisation of the sector – with rising commodity prices motivating investment in new technologies. There is a danger that governments will become stuck in out-dated paradigms and find themselves unable to adapt policy flexibly to rapid change. One has only to observe the burgeoning street-side food markets all over the Federation to be convinced of both the achievements of, and the opportunities for commercial participation. Yet the clamour continues for help from the public sector – more fertilizers, petrol subsidies – reflecting a contrary attitude of dependency ('oil boom sickness'?).

Kwara State seems to be pursuing three models of developing commercial agriculture. The first, and newest, is the high profile, subsidised, large scale commercial farm model in Shonga, which is also being replicated around the State.[12] The second model involves training young people and empowering them with state support to become commercial farmers. Because of the political capital invested in this programme, a link with the Shonga commercial farms was built into its design. Land was allocated for nominated youth farmers, and provision for training by the commercial farmers was included in the Shonga MOU. The third is the old 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. It is not uncommon to hear contempt for this strategy or at best an official nonchalance about its capacity to achieve transition (or revolution) in agriculture. In Shonga, some technology transfer – and informal shared learning –with the commercial farmers is taking place: for example, soybean is being adopted by smallholders, and cattle breeding methods exchanged with a pastoralist group.

[12] Eighteen projects varying in size from 11 to 15,000 ha are registered with the Kwara State Ministry of Agriculture and Natural Resources. Large-scale farming projects are found in other states, including Nassarawa.

Youth farming will not provide a resolution of the policy dilemma without stronger backing in the political economy of the State. Not only are these three models contesting the State's resources, but there are strong economic and political interests involved. Youth are a consistently under-performing element in the landscape of rural development. Efforts to realise their potential go back to the farm settlements (inspired by the Israeli *kibbutzim*) in the former Western Region during the 1950s and 1960s.[13] Is it because the wrong paradigm (modernisation through technological transfer) is receiving all the emphasis? Or is it due to half-hearted political commitment to re-modelling the incentive structure?

There is a sharp paradox in the disdainful attitude held towards agriculture by many Nigerian youths on the one hand, and the enthusiasm for entrepreneurial activity evident in markets, value chains, spatial interaction, cities, and households on the other. Agricultural education has traditionally stressed science and technology, at all levels. What does an agriculture graduate expect to live by? Informal enquiries show that very many expect to end up behind a desk, not farming. There is therefore an urgent need to re-examine the place of entrepreneurship in agricultural training.[14] In a modern free market economy, to continue expanding public sector employment is anachronistic. For an inexperienced graduate to offer advice to a middle-aged farmer-entrepreneur is absurd. And it was shown many years ago that older farmers are more, not less innovative – because they know the markets and can afford to invest.[15] Reference was made earlier to the possibility that limited demand, not supply factors form the biggest impediment to agricultural development. This hypothesis is supported elsewhere in Africa.[16]If so, let the market drive production and motivate innovation, rather than the other way round.

[13] FAO, (1966) *Agricultural development in Nigeria,1965-1980.* Rome: Food and Agriculture Organisation of the United Nations.

[14] Falola, J.A (2008) ,' ', *The Nigerian Geographical Journal,*

[15] Tiffen, M. (1976) *The enterprising peasant.* London: Crown Agents

[16] Djurfeldt, G.,Holmén,H.,Jirström,M.and Larsson,R. (2004) *The African food crisis. Lessons from the Asian Green Revolution.*Wallingford: CABI Publishing