

## PARTNERING WITH PRIVATE INVESTORS TO TACKLE FOOD CRISIS IN NIGERIA

BY

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### *Abstract*

*This paper examined issues relating to partnering with private investors to tackle food crisis in Nigeria. The focus was on food crisis in perspective and Government efforts in trying to overcome food crisis situation through agricultural development projects, such as the operation feed the Nation; green revolutions among other programs. The paper also examined the whole idea of partnering with private investors to tackle food crisis situation in Nigeria which involve public and organized private sectors. It also emphasis the need for investors' to participate in both food and agricultural production processes. Conclusion was drawn and suggestions made, it was suggested that government should provide enabling opportunities for large scale private engagement into agricultural sector through police support instruments. The organized private sectors such as corporate, indigenous companies, community based organizations and individuals should see investments in food and agricultural production not only from the profit making motives, but also from the perspective of social responsibility to the people and as community service.*

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### **Introduction**

The importance of agriculture in national development is evident in the area of food production, health and pharmaceuticals, employment opportunities, income generation and contribution to the national Gross Domestic products (GDP). Agriculture therefore, remains the bedrock of development in almost all aspects of human societies. Ubaka (2006) affirms that "the development of any nation firmly lingers on her agricultural development". Agricultural developments brought about availability of food, its production and distribution to the people the pivot on which the international politics revolves. According to Audu (2008) "food dependent nation's remains vulnerable to the manipulations of the supplier nations and a nation that lacks the capacity to feed her is indeed under developed".

Therefore, food crisis is a period sine-qua-non to times of great danger, difficulty or uncertainty when problems must be solved or important decisions must be taken. Food crises

according to Ochu (2008) were those periods in the family, community and nation when the difficulty associated with food demand and supply in the society has attained its worst point. Most scholars have attributed the challenge of food crisis and food shortages to the decline in the relative importance of agriculture to national development in most contemporary societies (Wever&Tyav 2009), and this has implications for the national development of such societies for example; Morocco, Somalia, Nigeria, Niger and others.

Nigeria's food crisis is characterized by overwhelming dependence on low productivity, lack of farm inputs, high production cost, national and localized food insecurity, malnutrition, unequal access to available food supplies and high cost of food due to price inflation thereby constituting the greatest threat to the living standard of the citizen (Idachaba, 1991). Food crisis result to multi-dimensional socio-economic problems of any society and requires urgent decisions.

There are various indicators of food crisis. In Nigeria the poor performance of the food sub-sector was concealed for long in the capacity of the country to embark on massive imports of food and live animals using the windfall accumulation of petrodollar of the 1970s as purchasing power. However, the inadequacies of the overall agricultural sector were soon revealed by the emerging foreign exchange society of the early 1980s which manifested through pronounced shortfalls in the supply market for food commodities against the escalating population growth together with increasing demand. By and large it became very evident that the growing dependency of Nigeria on food imports from outside countries was not sustained in the long run. Thus, the first indicators of food crisis status of the country is the quantity and diversity of its imports with respect to staple “food and animals” amounting to about N12.6 billion in 1992 as published by central Bank of Nigeria (1992).

The second indicator of food crisis is the stress factor introduced to both official and private life in the management of food supply situation. The critical source of these factors is supply shortfall large enough to be noticeable. In this connection, the latter part of 1970s witnessed an “austerity measure” necessitated by developments in the international market for crude oil. A campaign was launched by government tagged, “operation feed the Nation” (OFN) to spontaneously stimulate domestic output of basic foods. Such panic measures would not be necessarily considered if crisis was hitherto non-existent but had been superficially covered up by oil backed imports of the items concerned.

The rationing of “essential commodities” including staple food commodities such as rice, in the early 1980s was also a clear indicator of food stress and deficiency. Considerably, many days were wasted in government and private offices when the junior and senior staff alike queued up as refugees do in conflict situations, on working days to receive their shares of basic food items (Ayoola, 2001). Their agencies

became the official channel for the distribution of food and other commodities to be purchased, a decision necessitated by gross inadequacy of domestic supply sources to meet demand at the same time that foreign exchange was too scarce to import the shortfalls.

The absence of visible evidence owing to lack of reliable data, with shortage of food or determine the degree of hunger presenting as malnutrition, or to determine the number of people without food to eat. Certain indicators may be found in official and private events for use as proximate determinants of food crises. On the whole, regardless of the measures employed is directly incidental on the generality of the people, whose standard of living collectively falls. Services available to consumers will change in form and quality; this often necessitates change in taste to conform to changes in commodity space. Without the willingness of consumers to adjust their consumption patterns in this way, then the new production technologies cannot be sustained, as imports of foreign foods remain very competitive. The third element of the interface is the role of government to support the smooth transition from food crisis/problems to food sufficiency.

In the views of Idachaba (1991) Government should be called upon to promote private enterprises, it is not expected to engage in direct food production under any guise, this is because government is not favorably disposed to that. Rather it should formulate and implement policies and strategies to create an enabling environment for farmers and other enterprise owners to flourish and fulfill their objectives in production.

In doing so, there are serviced policy instruments at government’s disposal, such as agricultural extension, research, education, technical inputs support services. These instruments should be packaged into effective strategies to overcome the food crisis. The implementation of such strategies must be purposeful and effective, government should be firm and decisive during implementation, it

must be strongly willed and committed, as it must ensure programme accountability and financial probity in implementation. Also stability of policy is an essential precondition for successful transition from crisis status to food adequacy and then food surplus.

### **Nigerian Food Crisis in Perspective**

The food crisis in the society has remained a topical issue amongst the political class, technocrats, scholars, policy makers and vocational Agricultural Educators nowadays (Ochu, 2008). The problem arising from this monster has undermining influence on the perceived socio-economic, technological, and scientific and Cultural Revolution of the society, within the world wide unprecedented globalization and liberalization ideology. The Nigerian food crisis problem, which according to Idachaba (1991) is /c characterized by overwhelming dependence on low productivity, agricultural inputs and consequently high production cost, national and localize food insecurity, malnutrition, unequal access to available food supplies, high cost of food materials, and food price inflation, remained the greatest stumbling block to - the attainment of acceptable living standards of a good proportion of Nigerians. According to World Bank Report (1995) on agriculture and food for selected countries-Nigeria, Ghana, Senegal, Kenya, Tanzania, Australia, Bolivia, Cameroon, Togo and Morocco, whereas Nigeria tops the list in value added to agriculture in 1993 where she has United States of America (USA) \$10, 505, she also tops the list in cereal import in 1980 with a figure of 1, 828,000 metric tons. In 1993, the nation's cereal import of 1, 584, 000 metric tons was only second to Morocco with 3, 653, 000 metric tons. Following those large world food market as the source of foods, the nation may be finding it difficult to feed her teeming population. A significant proportion of the country's earnings may be cosigned to the procurement and distribution of food and little or nothing left as reserve for the development of other sectors of the daily food need owing to

lack of adequate production, preservation and storage facilities.

Changes and restructuring of the country's agricultural policies consequent upon frequency of changes in Governments has contributed to some extent on the food crises of the milieu. The greatest involvement in agriculture by the Federal Government of Nigeria commenced in the wake of the minerals 'oil boom in the 1970's, witnessing a phenomenal rise up till 1980's in the establishment of agricultural institutions, special projects as well as programmes initiation (Alamgir and Anora, 1991). In spite of these efforts by the government, the nation's agricultural sector suffered unprecedented decline into the 1990s. However, with the introduction of Structural Adjustment Programme (SAP) and persistent naira devaluation crystallized to these adverse consequences in the polity:

1. Decrease in food availability;
2. Severe increase in inflation rate;
3. Increase poverty and economic inequality;
4. Serious food shortage as evidence by the inputs increase in the nation's food imports and escalating price;
5. Reduction in access to food;
6. Severe shortage of agricultural raw materials;
7. Decline in the contribution of the agricultural sector to the Gross Domestic Product (GDP);
8. The Collapse of the nation's agricultural export trades and the country reverting from a major exporter to a net importer of almost all food items required in the society.
9. many people believe that the programme had some impact, there is not justify the huge amount of funds invested into them not justify the huge amount of funds invested into them general consensus that the output from the authorities does ostensibly due to structural problems; corrupt and sharp practices etc particularly during the second republic.

### **The Agricultural Development Projects (ADPs).**

The origin of the ADPs dates back to 1972 when the Federal Government of Nigeria in conjunction with the World Bank and state governments of the North, North-Central, North East and North-West embarked on investigations aimed at identifying suitable areas for pilot agricultural development before committing huge amount of money on full scale project (Adejo, 1983). These investigations led to the establishment of three enclave ADPs in Funtua, Gombe, and Gusau between 1974 and 1975 with joint funding by the federal government of Nigeria and World Bank and the respective governments. The objectives of the ADPs were stated as thus, listed below

- (a) to increase crop production and
- (b) raise rural income and to enhance the standard of living of the rural dwellers.

The success achieved in these pilot projects and others that follow led to the establishment of the eventual thirty one state-wide ADPs across the country. The programme is assessed to be a major contribution to the significant growth recorded in the agricultural sector in the late' 80's to early' 90's (CBN, 1993). However, there is growing fear that the programme may not be able to survive after the World Bank would have withdrawn their funds

### **The operation feed the Nation (OFN)**

The OFN came into being just at a time the NAFPP was finding its feet. It was introduced by the Federal military Government in 1976 with major objective of creating awareness about the importance of agriculture in national development. The programme was designed to involve all the segments of the population including students who were engaged during the long vacations. The main problem with the programme is that its birth was spontaneous and the objectives were not specific and therefore not measurable with the regime that introduced it.

### **The Green Revolution Programme**

The Green Revolution Programme was created in 1980 by the civilian administration of the second republic. The programme was meant to accelerate the country's movement towards self- sufficiency in food production. The River Basin Development Authorities (RBDAs) were used as the vehicle for projecting the cardinal objectives of the programme. The programme was seriously affected by unnecessary political rivalry between states controlled by political parties other than the one at the centre. In other states, the programme was heavily politicized that the real farmers hardly benefit from the activities of the programme. It finally died with the exit of the founding fathers.

### **The Agricultural Credit Guarantee Scheme (ACGS).**

The ACGS was established by the Central Bank of Nigeria in the mid' 70's with the primary aim of providing guarantee to commercial banks for loans taken from them for Agricultural purposes. The scheme involves the creation of an Agricultural Credit Guarantee Fund (ACGF) jointly by the Federal Government are: Nigerian Agricultural Insurance Scheme (NAIS) established to complement ACGS, National Directorate of Employment and school to land programme which are aimed at the young school leavers the Better life programme which focused particularly on rural women, Food for All Programme of some state governments, National Agricultural Land Development Authority (NALDA) and MAMSER which recently metamorphosed to National Orientation Agency (NOA).With examination of these programmes, particularly the way they were implemented, one would conclude that:

- i. There has been a lack of consistency between NT implementation
- ii. The programmes lack continuity most of the projects/programmes (except the ADPS) were short lived and could not go beyond the regime that introduced them.
- iii. There is virtually no coordination between

these projects/programmes which in many cases led to duplication of efforts and waste of scarce resources.

### **Partnering with Private Investors to Tackle Food Crisis:**

The whole idea of partnering with private investors to tackle food crisis in this context implies “public and organized private sector (the civil society, Non-Governmental organizations, faith based organizations, multi-national corporations etc.) Participation in both food and agricultural production processes (Farae, 2005). It may be understood at this juncture that the failure of government and World Bank policies and strategies to improve agricultural production and ensure food sufficiency in the 1970s necessitated a shift in policy forces in response to the global capitalist crisis of the 1980s. The World Bank in 1980s also abandoned its popular ‘constraints factors’ to agricultural growth of the 1970s in favour of policies of devaluation of the domestic currency and privatization of agriculture.

Devaluation was not only meant to improve the country’s exports in the world market, but to also help raise production level and equally improve the ‘food production deficit problems’ as farmers buoyed by the prospects of higher prices for their production in the wake of devaluation and dismantling of the monopolistic boards which were also encouraged to raise production. The problem with agriculture in the 1980s as diagnosed by the World Bank and IMF bordered on inability of Nigeria to market cash crops in the world market, increase food production and ensure its sustainability or even to raise the standard of living of the teeming peasant farmers in the agricult *Wever D.G., Shija T.S & Azaga C.I.*

This vulnerability in food and agricultural production between 1970s and 1980s was necessitated by the perceived inability of both the colonial and successive indigenous leaderships in Nigeria to revolutionize the agricultural sector (Tyav, 2008). Apart from

being the source of finance on which modern Nigerian state was constructed, agriculture provided all the food requirements of Nigerians. Tyav and Agogo (2006) posit that, “the Nigerian agricultural sector which in the ’50s ’60s and ’70s was the cornerstone of the Nigeria economy, is still on the small scale peasant stage. This small scale peasant farmer with his rudimentary implements is the agent of Nigeria’s prosperity in the past. He fed this country and even today he still feeds the country. What precisely has led to the non-performance of the agricultural sector after series of intervention measures by the government and international non-governmental organizations like the World Bank?

The reasons often rendered apart from non-revolutionization of the agricultural sector ranges from; crude oil, primitive farming methods, out modern technology, lack of capita, low level input (fertilizer and chemicals), poor climatic conditions, ecological problems, illiteracy, low level irrigation acreage among others, (World Bank, 1981) in Farae, (2005).

It is in the light of the foregoing, and ostensibly the current global food crises, world economic and financial crunch that the exigent need for partnership between government and organized private sector participation in food and agricultural production in Nigeria emerged as a vibrant policy option. The objective is to restructure, revive and create the synergy that would make the agricultural sector very operational (Tyav, 2009), for increase food production and its sustainability. But what really would have been the role of government and the organized private sector: (the Civil Society, Non-Governmental Organizations NGOs, Community Based Organizations, and Faith Organizations etc.) in partnership to tackle food crisis and ensure sustainability? Under what acceptable framework or arrangement will this strategy be anchored? Answers to these questions and several other propositions

form the basis of discussion in the subsequent section (i.e. conclusion and propositions).

### **Conclusion/ Suggestions**

It is discernable from the foregoing that the agricultural sector and its practice has largely been defined by government goals and the capitalist ideologies paradigm have equally failed in the bid to turn around the nation's agricultural sector. In this way, the role of government will be to promote the farmer based organizations, and individuals interested in food and agricultural production. By so doing government would not be coming in (participating) as the sole captain to steer the ship of agriculture in Nigeria. All stakeholders in agricultural production will be expected to participate in aggressive food and agricultural production (Ruma, 2008).

From the foregoing, government will also be expected to deliberately provide the enabling opportunities for large scale private sector engagement into the agricultural sector through policy support instruments. Government is to participate in the equity and in total capital outlay for food and agricultural production business such that there will be provision for an incentive mechanism for those who may be interested to undertake the agro-business. The aim is to provide the require networking, support the small scale farmer and to promote all efforts towards food and agricultural production.

The organized private sector (multinational corporations, indigenous companies, community based organizations, individuals etc.) need to see investments in food and agricultural production not only from the profit making motive, but also from the perspective of social responsibility to the people and as community service. This way, investors/partners in food and agricultural production will be drawn into relevance which many now lack. To this end, government desire to increase food and

agricultural production without consciously making efforts to.

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