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**No 1**

**The Pre Era**

The pre era was characterized by minimum direct government intervention in agriculture. As such, government’s attitude to agriculture was relaxed, with the private sector and particularly the millions of small traditional farmers bearing the brunt of agricultural development efforts. Government efforts were merely supportive of the activities of these farmers and these largely took the form of agricultural research, extension, export crop marketing and pricing activities. Most of these activities were regional-based towards the end of the colonial era with federal government’s contribution being confined largely to agricultural research. The low visibility of governments in agricultural development efforts was borne out of a general philosophy of economic laissez faire. Some governments were bent on making their presence felt in agriculture, especially in the 1950s and 1960s, by creating government-owned agricultural development corporations and launching farm settlement schemes. But these actions found their justification more in welfare considerations than in hard-core economic necessities (Manyong et al., 2003). The first National Development Plan for the years 1962-68 was enacted during this era. This Development Plan was aimed at exploiting the abundant natural resources for improvement of the living standards and GDP growth target was set at 4 percent per annum (Federal Ministry of Economic Development, 1963). However, the share of investment to the primary sector was only 13.6 percent whereas the shares of industries, electricity, and the transportation system added up to 50 percent (Shimada, 1999). This development plan focused mainly on infrastructure provisions and it was designed such that regional governments would also implement their own development plans in addition to that of the federal government. During this period, much emphases was laid on export crops through research, extension, subsidies and export-crop marketing and development programmes for cocoa, groundnut and palm produce. Little attention was given to food crop production. By the end of the 1960s, it became obvious that the Nigerian agricultural economy was heading towards big catastrophe. Signs of emerging agricultural problems included declining export crop production and some mild food shortages. Even then, most of these problems were attributed to the civil war and as such, were considered to be only ephemeral in nature. But events soon proved these optimistic assumptions wrong as the agricultural sector sank deeper and its problems became much more intractable than anticipated (Manyong et al., 2003). The second era, 1970-1985, is the period spanning the post-civil war years to the era just before economic adjustment, and it was characterized by change from minimum intervention, to that of active intervention and programming. This phase witnessed massive government involvement in all facets of agricultural production. The feeling was pervasive that the solutions to the increasingly serious problems of agriculture and especially those of food supply required the heavy clout of government in the form of multi-dimensional agricultural policies, programs and projects, some of them requiring the direct involvement of government in agricultural production activities. The sudden smile of oil fortune on Nigeria reinforced this feeling (Manyong et al., 2003). Hence, the decade of the l970s and early 1980s witnessed an unprecedented deluge of agricultural policies, programs, projects and institutions. Direct and indirect agricultural interventions were implemented with public resources from oil earnings. During this period, the second National Development Plan for the years 1970/71-1973/74 was enacted. The main aim of this development plan was to restore the economy damaged by the war, and agriculture was still its utmost priority. However, again the budgetary share for agriculture was only 10.5 percent, and the expenditure realized was 7.7 percent of the total (Federal Ministry of Economic Development, 1975; Shimada 1999). Within the agricultural sector itself, the emphasis was on restoration of export crop production, and the food-producing sector attracted only little attention. The food shortages which resulted from the Biafran war and subsequent effects of the 1972-74 droughts destabilized the optimistic view on agriculture that was prevalent in the 1960s. Imminent crisis was felt, but no action was taken. The government chose to rely on imports of maize, wheat, and rice, rather than to address measures to strengthen food production (Shimada, 1999). In 1974, the National Accelerated Food Production Project (NAFPP) was initiated and it was aimed at increasing the production of rice, maize, millet, sorghum, cassava, and wheat. The program assisted supply of improved seeds, chemical fertilizers, and pesticides, education of farmers, sales of agricultural products, and stock management and processing. Agro Service Centres were built all around the country to ensure effective service delivery to the public. However, these services failed to provide agricultural inputs at the right time, and before it could achieve any substantial results, the main constituents were transferred to the Agricultural Development Project (ADP) in 1975 (Okuneye, 1992, Shimada, 1999). The ADP was set up in all states of the federation to help organize farmers into more productive agriculture through the provision of modern inputs. It however, included more comprehensive measures in addition to the provision of agricultural inputs, such as construction of agricultural roads, building of small-scale dams, and setting up of Agro Service Centers. At the end of 1985, there were 470 Agro Service Centers all over the country (Okuneye, 1992). During this era, other programmes aimed at boosting food production were also in place. These include Operation Feed the Nation (OFN) and the Green Revolution Scheme. These projects were innovative in the history of Nigerian agricultural policy in that they proved a shift of the government’s attitude toward active participation in food production. The OFN was actively advertised to public, using mass media, and was substantially implemented. The aim of the project was to build a stable and self-sufficient socio-economic system by increasing food production to the level sufficient to feed the growing population, and to lower the import dependency ratios. Thus, not only the farmers but all citizens were called for co-operation. Distribution of fertilizers and improved breeds, extermination of insects and diseases, and lending of agricultural tools and machines were pursued not only by farmers but also by all citizens, including military men and civil servants. Mobilization of university and polytechnic students in farming during the summer vacation was also pursued. In October, 1979, there was a change from military government to a democratic one which led to the election of Shehu Shagari as the president of Nigeria and the Fourth National Development Plan (1981-1985) was enacted thereafter. The scale of this plan with a total budget of 70,500,000,000 Naira reflected the oil revenues of the late 1970s. The plan aimed at improvement in real earnings, equality in income distribution, lowering of unemployment and under-employment rates, increased skilled labour, diversified economic activities, growth with equality among regions and sectors, and strengthened self-sufficiency of the economy by utilizing domestic resources more efficiently. The agricultural sector and the agricultural processing sector were designated as the first priorities for development, and the largest share of budget, 13.1 percent (9,260,000,000 Naira) was allocated to the agricultural sector (Federal Ministry of National Planning (undated) cited in Shimada, 1999). Regardless of the OFN, the food shortage in Nigeria worsened. To counteract this situation, the government additionally set out the Green Revolution Plan Scheme in 1980. Improved rural road and education facilities were election promises of the National Party of Nigeria (NPN) led by President Shagari (Udo, 1982). Thus, the abolition of the OFN and the enactment of the Green Revolution were not merely about a change in agricultural development policy but also a reflection of political matters (Shimada, 1999). The scheme was set up to encourage all Nigerians in both urban and rural areas to go into agriculture for both commercial purposes and provision of food for home consumption. This scheme aimed to achieve self-sufficiency in food provision by 1985, when the Fourth National Development Plan terminated. For this goal, the scheme emphasized the need for comprehensive development of the rural areas. Thus emphasis was not only on food production, but also on building food processing firms, developing rural roads, providing houses, improving education and health facilities, and installation of water and electricity systems. Given the much dependency on imported inputs and foreign direction in irrigation projects that prevailed prior to this period, the scheme emphasized that dependency on foreign powers should be avoided as much as possible in terms of both manpower and technology. There are doubts about the impact of these programmes or schemes. They failed as efforts aimed at developing the agriculture sector. For instance, the green revolution led to increasing inequality in the rural areas whereby larger landowners became richer while the poorer farmers who produce the bulk of Nigeria’s food needs were disadvantaged (Famoriyo and Raza 1982; Shimada, 1999; Manyong et al., 2003).

**The Post Era**

The federal government under the leadership of President Olusegun Obasanjo critically evaluated the 1988 agricultural policy in 2001; an evaluation which led to the approval of its latest policy entitled ‘‘The New Policy Thrust for Agriculture’’ in 2002 (FMARD, 2001; FRN, 2002). The new policy document share very similar features to that of 1988. However, this new policy thrust provided greater support for the underlying philosophy of allowing the private sector and market forces to dictate the pace of development in the agriculture sector, while governments at all levels are restricted to facilitating roles, support services, and providing the enabling environments for agricultural growth. In a broad sense, the objectives of the new agricultural policy are very similar to those of the old one. They include:(i) The achievement of self-sufficiency in basic food supply and the attainment of food security;(ii) increased production of agricultural raw materials for industries;(iii) Increased production and processing of export crops, using improved production and processing technologies; (iv) generating gainful employment; (v) rational utilization of agricultural resources, improved protection of agricultural land resources from drought, desert encroachment, soil erosion and flood, and the general preservation of the environment for the sustainability of agricultural production; (vi) promotion of the increased application of modern technology to agricultural production; and, (vii) improvement in the quality of life of rural dwellers. The key features of the new policy are as follows: (i) Evolution of strategies that will ensure self-sufficiency and improvement in the level of technical and economic efficiency in food production. This is to be achieved through (i) the introduction and adoption of improved seeds and seed stock; (ii) adoption of improved husbandry and appropriate machinery and equipment; (iii) efficient utilization of resources; (iv) encouragement of ecological specialization; and (v) recognition of the roles and potentials of small -scale farmers as the major producers of food in the country; (vi) reduction of risks and uncertainties in agriculture, to be achieved through the introduction of a more comprehensive agricultural insurance scheme to reduce the natural hazard factors militating against agricultural production and security of investment; (vii) a nationwide, unified and all-inclusive extension delivery system under the ADPs; (vii) active promotion of agro-allied industry to strengthen the linkage effect of agriculture on the economy; (viii) provision of such facilities and incentives as rural infrastructure, rural banking, primary health care, cottage industries etc, to encourage agricultural and rural development and attract youths (including school leavers) to go back to the land. The major content of the new policies include (i) agricultural resources (land, labour, capital, seeds, fertilizer, etc) whose supply and prices affect the profitability of agricultural business; (ii) crops, livestock, fisheries and agro-forestry production; (iii) pest control; (iv) mechanization; (v) water resources and irrigation; (vi) rural infrastructure; (vii) agricultural extension and technology transfer; (viii) research and development (R&D); (ix) agricultural commodity storage, processing and marketing; (x) credit supply; (xi) insurance; (xii) agricultural cooperatives; (xiii) training and manpower development and (xiv) agricultural statistics and information management. According to the document (FMARD, 2001; FRN, 2002), the new agricultural policy will herald in a new policy direction via new policy strategies that will lay the foundation for sustained improvement in agricultural productivity and output. The new strategies involve: (i) creating a more conducive macro-environment to stimulate greater private sector investment in agriculture; (ii) rationalizing the roles of the tiers of government and the private sector in their promotional and supportive efforts to stimulate agricultural growth; (iii) reorganizing the institutional framework for government intervention in the agricultural sector to facilitate the smooth and integrated development of the sector; (iv) articulating and implementing integrated rural development programs to raise the quality of life of the rural people; (v) increasing budgetary allocation and other fiscal incentives to agriculture and promoting the necessary developmental, supportive and service-oriented activities to enhance agricultural productivity, production and market opportunities and (vi) rectifying import tariff anomalies in respect of agricultural products and promoting the increased use of agricultural machinery and inputs through favourable tariff policy. The new agricultural policy spelt out definitive roles and responsibilities for the federal, state and local governments as well as the private sector in order to remove role duplication and overlapping functions among them. Under the new policy regime, the federal government are responsible for: (i) the provision of a general policy framework, including macroeconomic policies for agricultural and rural development and for the guidance of all stakeholders; (ii) maintenance of a reasonable flow of resources into agriculture and the rural economy; (iii) support for rural infrastructure development in collaboration with state and local governments; (iv) research and development of appropriate technology for agriculture, including biotechnology; (v) seed industry development, seed law enforcement and seed quality control; (vi) support for input supply and distribution, including seeds, seedlings, brood stock and fingerlings; (vii) continued support for agricultural extension services; (viii) management of impounded water, supervision of large dams and irrigation canals and maintenance of pumping facilities; (ix) control of pests and diseases of national and international significance and the promotion of integrated disease and pest management; (x) establishment and maintenance of virile national and international animal and plant quarantine services; (xi) maintenance of favourable tariff regime for agricultural commodities; (xii) promotion of the export of agricultural commodities through, among others, the Export Processing Zones (EPZs); (xiii) establishment of an agricultural insurance scheme; (xiv) maintenance of a Strategic National Grain Reserve for national food security; (xv) coordination of agricultural data and information management systems; (xvi) inventorization of land resources and control of land use and land degradation; (xvii) training and manpower development; (xviii) participation in the mapping and development of interstate cattle and grazing routes and watering points; (xix) promotion of micro-and rural credit institutions; (xx) promotion of agricultural commodity development and marketing institutions; (xxi) maintenance of fishing terminals and other fisheries infrastructure, including cold rooms; (xxii) promotion of trawling, artisanal and aquaculture fisheries; (xxiii) promotion of fish feed production; (xxiv) protection of Nigeria's Exclusive Economic Zone for fisheries resources and (xxv) periodic review of agreements on international agricultural trade. The state governments are primarily responsible for: (i) the promotion of the primary production of all agricultural commodities through the provision of a virile and effective extension service; (ii) promotion of the production of inputs for crops, livestock, fish and forestry; (iii) ensuring access to land for all those wishing to engage in farming; (iv) development and management of irrigation facilities and dams; (v) grazing reserve development and creation of water access for livestock; (vi) training and manpower development; (vii) control of plant and animal pests and diseases; (viii) promotion of appropriate institutions for administering credit to smallholder farmers; (ix) maintenance of buffer stocks of agricultural commodities; (x) investment in rural infrastructure, including rural roads and water supply in collaboration with federal and local governments and (xi) ownership, management and control of forest estates held in trust for local communities. The local governments are expected to take over progressively the responsibilities of state governments with respect to: (i) the provision of effective extension service; (ii) provision of rural infrastructure to complement federal and state governments' efforts; (iii) management of irrigation areas of dams; (iv) mobilization of farmers for accelerated agricultural and rural development through cooperative organizations, local institutions and communities; (v) provision of land for new entrants into farming in accordance with the provision of the Land Use Act and (vi) coordination of data collection at primary levels. According to the policy document, since agricultural production, processing, storage and marketing are essentially private sector activities; the role of the private sector was to take advantage of the improved enabling environment provided by the public sector for profitable agricultural investment. In particular, the public sector is expected to play a leading role with respect to: (i) investment in all aspects of upstream and downstream agricultural enterprises and agribusinesses, including agricultural commodity storage, processing and marketing; (ii) agricultural input supply and distribution; (iii) the production of commercial seeds, seedlings, brood stock and fingerlings under government certification and quality control; (iv) agricultural mechanization; (v) provision of enterprise-specific rural infrastructure and (vi) support for research in all aspects of agriculture. Following the redefined roles and responsibilities of tiers of government and the private sector, the main thrust of federal government programs and activities are directed at obviating the technical and structural problems of agriculture. These include research and development, (including biotechnology development), animal vaccine production, veterinary drug manufacture, agro -chemicals manufacture, water management, adaptive technology promotion, and the creation and operation of an Agricultural Development Fund. Supportive activities under the new policy comprise input incentive support and commodity marketing and export activities, support delivery activities cover input supply and distribution, agricultural extension, micro-credit delivery, cooperatives and farmer/commodity associations, commodity processing and storage, agro-allied industry and rural enterprise development, and export promotion of agricultural and agro-industrial products. For instance in the case of input supply and distribution the government is expected to create a more conducive environment for profitable investments in the production and distribution of inputs such as improved starter materials, animal health drugs, fertilizers, etc. Fertilizer supply is hinged on complete privatization and liberalization in the production, distribution and marketing of the commodity. The main role of the government therefore is to strictly monitor the quality standard of all fertilizers (both local and foreign) to ensure that only certified products reach the farmer. Government is also expected to encourage the use of organic fertilizers to complement the inorganic fertilizers currently in use. The seed industry development program is expected to be reinvigorated and community seed development programs promoted to ensure the provision of adequate and good quality seeds to local farmers. The organized private sector is to be mobilized, encouraged and given incentives to actively participate in the production of seeds, seedlings, brood stock, fingerlings, etc, and also to be involved in out-growers mobilization. The successful implementation of the agricultural policy is, however, contingent upon the existence of appropriate macroeconomic policies that provide the enabling environment for agriculture to grow in equilibrium with other sectors. They affect profitability of agricultural enterprises and the welfare of farmers through their effects on the flow of credit and investment funds, taxes, tariffs, subsidies, budgetary allocation, etc. A range of macroeconomic and institutional policies as well as legal framework that affect agricultural investment in particular and agricultural performance in general was therefore considered under the new policy. The policies broadly cover fiscal, monetary and trade measures. There is also a large body of institutional policies that support not only the implementation of macroeconomic policies but also that of agricultural sector policies. Then, there is a set of national and international legal framework, including bilateral and multilateral agreements and treaties that provide the enabling environment for foreign and domestic private investment, promote international trade and, therefore, promote economic growth. One of the important policies which is of interest to this study is the environmental policy. The goals of National Policy on the Environmental is to achieve sustainable development in Nigeria, and, in particular, to (i) secure a quality of environment adequate for good health and well being; (ii) conserve and use the environment and natural resources for the benefit of present and future generations; (iii) restoremaintain and enhance the ecosystems and ecological processes essential for the functioning of the biosphere to preserve biological diversity and the principle of optimum sustainable yield in the use of living natural resources and ecosystems; (iv) raise public awareness and promote understanding of the essential linkages between the environment, resources and development, and encourage individual and community participation in environmental improvement efforts; and (v) co-operate in good faith with other countries, international organisations and agencies to achieve optimal use of trans-boundary natural resources and for an effective prevention or abatement of trans-boundary environmental degradation. In recognition of several longstanding challenges facing Nigeria which includes the fact that as at 2001, over 70 percent of Nigerians live below the poverty line of 1 US$ per day (UNDP, 2004), most of them in rural areas and depend on agriculture for sustenance, the federal government embarked on a series of economic reforms. In 2004, the federal government of Nigeria launched its National Economic Empowerment and Development Strategy (NEEDS) which identifies agriculture and reforming government and its institutions as core elements of economic growth. NEEDS is actually an important component of the new agricultural policy (International Conference on Agrarian Reform and Rural Development (ICARRD), 2006). In general terms, NEEDS offers a very promising strategic direction to achieve poverty reduction, food security, and accelerated economic development. NEEDS recognizes that a dynamic and competitive non-oil private sector is essential to rapid and sustained growth. Nigeria’s key policy thrusts for agriculture and food security under this scheme were to: (i) provide the right policy environment and target incentives for private investment in the sector; (ii) implement a new agricultural and rural development policy aimed at addressing the constraints in the sector; (iii) foster effective linkages with industry to achieve maximum value-added and processing for export; (iv) modernize production and create an agricultural sector that is responsive to the demands and realities of the Nigerian economy in order to create more agricultural employment opportunities, which will increase the income of farmers and rural dwellers; (v) reverse the trend in the import of food (which stood at 14.5 percent of total imports at the end of 2001), through a progressive programme for agricultural expansion; (vi) strive towards food security and food surplus that could be exported; (vii) invest in improving the quality of the environment in order to increase crop yields. The main targets include; achieve minimum annual growth rate of 6 percent in agriculture; (ii) raise agricultural exports to $3 billion by 2007; (iii) drastically reduce food imports, from 14.5 percent by 2007; (iv) develop and implement a scheme of land preparation services to increase cultivable arable land by 10 percent a year and foster private sector participation through incentive schemes; (v) promote the adoption of environment friendly practices; (vi) protect all prime agricultural lands for continued agricultural production (National Planning Commission, 2004). Apart from the agricultural sector wide policies and programmes, a number of single crop programmes were initiated to improve agricultural production and productivity in Nigeria in general and some strategic crops in particular. For instance, the Olusegun Obasanjo administration added some impetus to the global efforts in the development of cassava by putting in place a ‘Presidential Committee on Cassava for Exports’, with the mandate to ensure that the country becomes the world-acknowledged cassava-exporting nation. The presidential initiative on cassava production and export is therefore intended to raise the production level of cassava to 150million Mt by the end of year 2010. The programme is also expected to assist the country realize an income of US$5.0billion per annum from the export of 37.6million tons of dry cassava products such as starch, cassava chips, adhesives and other derivatives (Abdullahi, 2003, Umeh and Asogwa, 2005; ICARRD, 2006). Currently Nigeria has replaced Brazil as the World’s largest producer of cassava (Nweke, 2004). There is also the Presidential Initiative on increased Rice Production designed to reverse the rising import bill, which stood at N96.012 billion in 2002 to meet domestic demand by 2006 and export by end of 2007. By 2007, it is targeted that 3.0 million hectares of land would be put under cultivation to produce about 15 million tons of paddy or 9.0 million tons of milled rice. In order to achieve this goal, Government embarked on:-procurement and distribution of 81,505 R-Boxes to the States and Federal Capital Territory (FCT) at 50 percent subsidy. The R-Box contains rice seeds, agro-chemicals and extension messages to farmers on its applications. The package is required to cultivate one-quarter of a hectare of rice. Similarly, 250 units of Knapsack Sprayers have been distributed to farmers based on needs. Production of 4.92 Mt of breeder seeds and 25.23mt of foundation seed stage 1 of the new rice for Africa (NERICA) I and 12.6mt of lowland varieties of foundation seed stage 1 by National Cereal Research Institute and West African Rice Development Association; production of 58mt of foundation seed of rice varieties by the National Seeds Service (NSS); establishment of Management Training Plots on R-Box in Twenty-five (25) states including the FCT. About 1,250 farmers participated in the programme to showcase the benefits derivable from the use of the R-Box to accelerate its adoption by farmers; provision of irrigation infrastructure and construction of water reservoir at National Cereals Research Institute (NCRI), Badeggi for all year round breeder seed production; Six train-the-trainer workshops for rice farmers and extension agents (one per geo-political zone) on rice production and processing technologies (ICARRD, 2006). Further, in realization that, maize is among the most important crops in Nigeria, but poor seed supply, inefficient marketing system, and low investment in research are among the factors that have limited production, the federal government still under the leadership of President Olusegun Obasanjo initiated a programme to double maize production in the country both for national consumption and international export through promotion of improved agricultural technologies (USAID, 2006). The doubling maize programme began in 2006 and was funded by the Federal Ministry of Agriculture and Rural Development. Partners include IITA, the Institute of Agricultural Research and Training, National Rice/Maize Centre, National Accelerated Food Production Program, Institute for Agricultural Research, National Cereals Research Institute, the University of Ilorin and the National Agricultural Extension and Research Liaison Services. The target is to raise the production of maize from current 8 million tonnes to 20 million tonnes and productivity from the about 1.5 tonnes per hectare to 4.2 tonnes per hectare and the possibility of achieving this target proved successful with more than 1000 farmers used in experimentation (IITA, 2009). It is not known to what extent the intended productivity gains from improved agricultural production technologies have been realized through these policy initiatives. Therefore, it is of interest in this study to assess the impact of the promoted improved technologies (which serves as proxy for investment in research and development) on the economic efficiency of smallholder maize farmers. At the inception of his administration in 2007, President Umaru Musa Yar' Adua who succeeded Chief Olusegun Obasanjo earmarked on a Seven-Point Agenda so that the nation can move forward and be among the 20 largest economies by the year 2020. Briefly, the Seven-Point Agenda include: Energy and power, Food Security and Agriculture, Wealth Creation, Education, Land Reforms, Mass Transit and the Niger Delta issue. The broad policy objectives of both Vision 2020 and the Seven-Point Agenda are sustenance of a rapid broad based GDP growth, poverty reduction, employment generation, macroeconomic stability and economic diversification. To achieve this, Nigeria would require growth rates of between 13-15 percent in the medium-term, a goal which supersedes the 5-6 percent growth rate obtained then (Foreign Agricultural Service of United States Department of Agriculture (FAS, USDA), 2009). Like the Obasanjo administration (1999-2007), the thrusts of the policy direction for agriculture and food security within the seven point agenda include: creating the conducive macro environment to stimulate greater private sector investment in agriculture so that the private sector can assume its appropriate role as the lead and main actor in agriculture; rationalizing the roles of the tiers of government in their promotional and supportive activities to stimulate growth; reorganizing the institutional framework for government intervention in the sector to facilitate smooth and integrated development of agricultural potentials; articulating and implementing integrated rural development as a priority national programme to raise the quality of life of the people; increasing agricultural production through increased budgetary allocation and promotion of the necessary developmental, supportive and service-oriented activities to enhance production and productivity and marketing opportunities; increasing fiscal incentives to agriculture, among other sectors, and reviewing import waiver anomalies with appropriate tariffication of agricultural imports and promoting increased use of agricultural machinery and inputs through favourable tariff policy (Akinboyo, 2008). As a response to the Seven Point Agenda, the Federal Ministry of Agriculture & Water Resources launched its National Food Security Programme (NPFS) in September 2008, to combat the global food crisis and with a vision to ensure sustainable access, availability and affordability of quality food to all Nigerians. The programme’s vision is to eventually become a significant net provider of food to the global community and for the next four years (2008-2011), the federal government set aside N200 billion, which is about USD 1.7 billion, for the development of the programme. The short-term goals of the programme are to significantly improve the country’s agricultural productivity. In the medium term, the aim is to expand and improve large-scale production, improve storage as well as processing capacity and establish the required infrastructure. The long-term objective is to derive over 50 percent of the nation’s foreign exchange through agricultural exports. (CBN 2008; Corporate Nigeria, 2009). A number of agricultural initiatives are implemented under the NPFS which includes a significant increase in the quantity of assorted fertilizers distributed nationwide, the rehabilitation and expansion of existing irrigation schemes, as well as the retention of the policy of zero tariffs on imported agrochemicals (CBN, 2008). Further, in a bid to fast-track the transformation of the agricultural sector, the federal government in collaboration with the World Bank, has established the Commercial Agriculture Development Programme (CADP). The Programme, which has five states (Cross River, Enugu, Kaduna, Kano and Lagos) participating in the first phase, aims at strengthening agricultural production systems for targeted value chains and facilitate access to markets. The project is estimated to cost US$185 million, with the World Bank providing US$150 million, while the federal and the participating state governments would provide the balance of US$35 million (CBN, 2008). With respect to input supply and distribution, three key inputs have received attention namely fertilizer, improved seeds and agrochemicals. Currently, the federal government of Nigeria, under the Federal Market Stabilization Program, procures fertilizer for sale to states at a subsidy of 25 percent. State governments typically institute additional subsidies on fertilizer. Under the current marketing structure, companies make bids to the federal government to import and distribute subsidized fertilizer (International Food Policy Research Institute (IFPRI), 2009). The seed sector is also a key component of the crops sub-sector. Most farmers in Nigeria depend on self-saved seeds. There is a thriving market in locally saved seeds by farmers. The formal seed trade is very underdeveloped. The National Seed Policy provides for coordination, monitoring and implementation of quality control in the national seed system (as regards seed production, marketing and quality control activities) by the NSS of the Federal Ministry of Agriculture and Rural Development. The National Seed Policy makes provision for the withdrawal of public sector agencies in favour of private sector in key areas of the seed industry. Another important segment of the crops sub-sector is the crop protection chemicals the use of which is still very low among Nigerian farmers. Here the federal government’s policy is to encourage the establishment of manufacturing plants to make agro-chemicals in Nigeria. But so far there are no manufacturers of agro-chemicals. Instead the companies that operate in Nigeria do only reformulation and packaging, relying on their parent companies abroad to do the basic manufacturing. A 50 percent subsidy is used to support machinery ownership in this sector (Department for International Development (DFID), 2005).

**No 2**

The challenge facing the Nigerian agricultural sector is historical. The period of the colonial administration in Nigeria, 1861-1960, was punctuated by rather ad-hoc attention to agricultural development. During the said era, considerable emphasis was placed on research and extension services. The first notable era was the establishment of a Botanical Research Station in Lagos by Sir Claude McDonald in 1893 (Ayoola, 2009). In 1912, a Department of Agriculture was established in each of the then Southern and Northern Nigeria, though the activities of the department were virtually suspended between 1913 & 1921 as a result of the First World War and its aftermath. It was during this period that West African Institute for Oil Palm Research in Benin was started and the research on cocoa was intensified at Moor Plantation, Owena near Ondo and at Onigambari near Ibadan (Diao, Hazell, and Thurlow, 2006). Achievement of the period include the development of ̳Alien Cotton‘ in the South; rice cultivation in Sokoto, Niger, Ilorin, Abeokuta Colony and Ondo province; and so on (Opinion Nigeria, 2013). Over the years, these institutions have not functioned effectively (Ayoola, 2009). This trend has the case with several policies and programmes designed tackle the problems of agricultural development in Nigeria. Past policies include the National Accelerated Food Production Programme (NAFPP), the Nigerian Agriculture and Co-operative Bank (NACB), Operation Feed the Nation (OFN), Agricultural Credit Guarantee Scheme Fund (ACGSF), the River Basin Development Authorities (RBDA), the Green Revolution (GR), National Agricultural Land Development Authority (NALDA) and Special Programme for Food Security (SPFS) (Adebayo, 2010) among others. Judging from previous experiences of lag in the implementation of development policies in Nigeria and further assessing the policy framework of the Nigeria Promotion Policy, there are a lot of concerns. These issues are central and must be addressed to ensure the prospects of implementing the policy for the general wellbeing of the Nigerian rural economy.

**1**. The Nigerian rural economy is still faced with the challenge of subsistent farming. This affects the inability to meet domestic food requirements in rural Nigeria. Although there is a provision for private partnership in this regard, the policy has not stated in clear terms how the vulnerable rural poor will be able to access farming support programmes without collaterals (Ayodele, Obafemi, and Ebong, 2013). Access to support to enhance commercialization by rural farmers has always and still is a challenge in achieving the Nigeria Promotion Policy. Subsistence farming is no longer a solution, Nigeria has to commercialize agricultural production and fully adopt mechanize farming. In addition, mechanization of the agricultural industry is the way out of solving Nigeria's problem. This can be achieved by matching up human input with mechanization, bringing in machinery and increase the scale of production, so that whatever the rural sector produces, it will match the population growth rate

**2.** Soil erosion caused by water and wind, a lack of development and the dependence on imported foods all hinder the development of agriculture in Nigeria. The main problem that affects soil fertility is soil erosion (Muhammad-Lawal and Atte, 2006). Wind erosion, in particular, is quite damaging. Over time, strong winds expose seedlings and crop root systems by blowing away loose, fine grain soil particles. Another effect is the accumulation of soil particles in drifts, which can cover crops. Also, wind erosion changes the texture of the soil. The particles responsible for water retention and fertility, such as clay, silt, and organic matter are generally lost, leaving behind a sandy soil (Osagie, 2011).

**3.** Not all soil in Nigeria is fertile and this requires the use of fertilizes: The problems of agriculture in Nigeria begin with the soil. Most of the farmable land in Nigeria contains soil that is low to medium in productivity. According to the Food and Agriculture Organization of the United Nations (FAO, 2011), with proper management, the soil can achieve medium to good productivity (National Bureau of Statistics, 2012).

**4.** Lack of water management system. The low-lying floodplains are very fertile during the rainy season, but the lack of rain during the dry season hinders agricultural development. The lack of water management systems in these areas is a concern for many farmers. By adding irrigation canals and access roads to these areas, yearly production yields are expected to increase. A strategic system of water management across the whole country must be adopted. Currently, the government places a lot of emphasis on irrigation systems in the North. This is a lopsided development. It must be made to cover the whole country.

**5.** Food processing issues also affect the prospects of Agriculture Promotion Policy in Nigeria. It is estimated that about 20-40% of the yearly harvest is lost during processing. The primary cause is the lack of efficient harvesting techniques. Most rural farmers harvest crops by hand, instead of using machines. Also, storage methods are not generally up to standards. Most of the crops are lost to physical damage caused by insects, bacteria, or fungus. Nigeria must adopt modern technology in food storage and rural farmers must be trained accordingly.

**6.** Nigeria is a net importer of food and this affects the growth of cottage industries. The country does not produce enough food to meet the demand of its people. This produces a lot of problems with regard to agricultural development. Generally, there is less incentive for local farmers to grow local foods when cheaper, more palatable foods are imported. This forces local farmers to reduce prices, which reduces the income generated by the farm. The consequence is decreased farm production. To combat the effects of imported food on development, several initiatives are suggested, including providing farmers with micro-credit that is subsidized and increasing tariffs on imported food.

**7.** On the whole, a lingering problem of agriculture in Nigeria is a lack of investment and institutional corruption. The government budget for agriculture is not enough to meet the challenges. International aid groups have supplemented the funding of the government, but most of the funds don't reach the local farmer due to corrupt practices experienced by the diversion of such funds for other purposes. While there is an advocacy for increased budgetary allocation in the agricultural sector as well as private sector partnership, corruption must be checked by all means.