

# Historical Assessment of Nigeria as Food-Importing Nation and the Multiplier Effects of the Ban on Rice Importation by Buhari's Administration

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**ABSTRACT:** Nigeria being endowed with both human and natural resources has the potential to produce sufficient food to feed her population. This was observed at independence, hence, various agricultural policies were embarked on by the successive governments. Unfortunately, the discovery of petroleum and the surplus money accruing from it made the successive administration paid lip service to agricultural sector. The implication of this is that Nigerian becomes food-import dependent nation, importing virtually most of the food that could be produced locally especially rice. However, with the emergence of Muhammadu Buhari as the president of Nigeria results in various measures to boost local food production so as to be self sufficient. To this effect, he ban the importation of food stuff into the country especially rice. It is the multiplier effects of this ban that this paper examines.

**KEYWORDS:** Buhari Administration, Food-Importation, Multiplier- Effect, Nigeria, Rice

## I. Introduction

Agriculture was seen by Nigerian government as germane to the industrial take-off of the nation right from independence. Hence, the historical position of agricultural sector in the economic development of the country was recognised. Having this in mind, tackling subsistence agriculture became imperative with the commercialization of agricultural production seen as the solution.

In view of this, the local buying agents inherited from the colonialist were maintained to buy agricultural products for the marketing board from the farmers. The early period of independence recorded a comparative increase in the production of foodstuffs. This was as a result of fairly stable production of foodstuffs. However, this did not translate to luxurious life for the agricultural producers, due to the use of marketing boards by the government to exact tax from the producers at astronomical rate. As a result of the subjection of the agricultural producers to excessive taxation and exploitation, they were impoverished because of de-capitalization in agriculture. The uses to which these revenues derived from the producers were put coupled with other variables weakened peasant commodity production. For instance, yams production dropped by 45 per cent that is from 165 per cent in 1966 to 120 per cent in 1968; millet from 111 per cent in 1964 to 105 per cent in 1968; rice dropped by 39 per cent from 247 per cent in 1967 to 208 per cent in 1969. Further decline in food production was witnessed with the growth rate of food production index which hitherto was 17.1 percent at independence, dropped to 2 per cent six years after and by 1979, it had reduced to -1.0 percent.[1] The implication of this was that from meeting 95 per cent of the country's food consumption requirements, Nigeria

agriculture could provide less than 50 per cent of the nation's food needs. This invariably plunged Nigeria into food importing.

The question now is that does Nigeria need to import food, taking into consideration the geography, environment and natural resources it is endowed with which is conducive for agricultural practice and food production? International trade theory states that nations usually find it profitable to engage in the activities for which they are best suited or have a comparative advantage in terms of natural abilities and resource endowment.[2] Going by this, Nigerian communities, though basically agrarian societies have the natural abilities and endowed with resources to produce more than enough food for internal consumption, and even surplus agricultural commodities large enough to be exported, but contrary seems to be the case. Why this trend? Perhaps, the fact that Nigeria was awashed with oil money to the extent that General Yakubu Gowon was claimed to have naively asserted that money was not Nigeria problem but how to spend. [3] This could be adduced for the neglect in agricultural sector. As there were surplus money to spend, Nigerian taste especially those that had access to the excess money became exotic to the detriment of locally produced food products thereby further subjecting the peasant farmers to subsistence agriculture. The implication is the inability to locally meet the demand of the populace for food.

Realising this abnormality, several schemes, however, were embarked upon by the successive Nigerian government to revert the trend. For example, Yakubu Gowon regime introduced National Accelerated Food Production Programme (NAFPP), Operation Feed the Nation (OFN) by Olusegun Obasanjo in 1976, Green Revolution (GR) by Shehu Shagari in 1979 to pilot the affairs of Agricultural Development Projects and River Basin Development Authorities.[5] The Green Revolution was replaced by Food for All Programme. This was accompanied by subsidy programmes on fertilizers, improved seeds and seedling distribution, pesticides, including soft agricultural loans and so on. Substantial quantities of fertilizers, machinery, chemicals, seeds and other farm inputs were imported for distribution to the projects and farmers especially through Agricultural Development Projects and Niger River Basin Development Authorities. In a similar vein, trunk and feeder roads and dams were constructed especially through the activities of the Directorate of Food, Road and Rural Infrastructure (DFRRI). All these efforts were geared towards food production and self-sufficiency. Unfortunately, Nigerians charged with the various projects diverted large sums and other resources to their personal use. An estimate of ₦6 billion, a considerable part of which was from Agriculture was said to have been pilfered by the ruling elite between 1978 and 1982 thus frustrating these efforts and huge investments. [5]

Also, the Agricultural Development Projects and River Basin Development Authorities became avenues for political patronage through contracts, distribution of fertilizers and tractor hiring services. The lending policies was not favourable to the small-scale farmers who lacked not only the collateral wherewithal but political impact to secure loans. The political big-wigs who secured the agriculture loans had such diverted into other projects like buying more cars, building houses or globe-trot. It has been so bad that in the provision of farm inputs, the peasant farmers who remain the powerful players in food production were left out, hence intensifying the class differentiation which was already in place and creating more capitalist farmers against landless peasants. Successive Nigerian governments did not have the political will to declare emergency on agriculture sector, thereby importing more and more food from other countries. According to ancient China proverb; each generation shall reap what the former generation has sown. [6] Food importation continued to rise until 2015 when Mohammed Buhari was sworn in as the president of Nigeria.

## **II. Ban and measures adopted to tackle rice importation.**

An important stabilising factor that exerts an imperative influence upon the power of a nation in the comity of nations is natural resources. This is an integral part of the elements of national power and the most elemental of the resources is food. A nation which is self-sufficient or nearly self-sufficient in food production has an advantage over a nation which is not. [7] Any nation which is at the mercy of other nation for food importation to feed her citizens put its survival as a sovereign state in jeopardy, especially when its ability to import food is threatened. Perhaps, being a onetime military man, President Muhammed Buhari must have taken

cognizance of the danger Nigeria is vulnerable to by relying majorly on rice imported into the country. Prior to his election as the President of the Federal Republic of Nigeria in 2015, Nigeria under previous administrations imported virtually major food items; even the ones Nigeria has comparative advantage of producing.

On assuming office in 2015, President Muhammed Buhari was bent on achieving food sufficiency and boosting local agriculture. To this effect, rice appeared the centerpiece of the policy, hence, a crackdown on rice importation with import tariff of 70%.

To enhance local rice production, President Muhammed Buhari launched \$150 million loan scheme, made available for local rice farmers. This was to boost local rice production and consumption thereby discouraging importation. In view of this, the Central Bank of Nigeria established the Anchor Borrowers Programme which was launched on November 17, 2015. The rationale behind this is to bring about linkage between the small holder farmers and the anchor companies in the processing of the required key agricultural products. Through this scheme, the Central Bank in collaboration with the state governments and lots of several sector groups disbursed about N55.526 billion to over 250,000 farmers for the cultivation of almost 300,000 hectares of farmland for rice and other agricultural products. [8]

In furtherance of the efforts to enhance food sufficiency especially rice production, was the presidential fertilizer initiative launched in December 2016 as an outcome of the partnership between Nigerian and Moroccan governments. It was implemented in Nigeria by Nigerian Sovereign Investor Authority and the Fertilizer Producers and Suppliers Association of Nigeria as a Public-Private Partnership in Nigeria. Large scale rice processing plants with a stake commitment of 85% by China EXIM and Nigeria Bank of Industry 15% through concessional credit facilities of \$383,140,375 for rice mills were established. [9] Through the Ministry of Agriculture, the government embarked on a programme of rice mills distribution, with various production capacities.

Besides, the government equally made provision for agricultural credit financing to produce rice and some other products which some state governments avail themselves of the opportunity. States such as Kebbi, Kwara, Zamfara and Niger. The question now is, how has these states fared in complementing the Buhari administration's effort at discouraging reliance on food importation, and encouraging self-sufficiency especially in the production of rice which forms the major food item imported into the country?

Kebbi State, though predominantly an agrarian society, particularly in the production of rice, its potential did not come to limelight until the federal government discouraged and banned rice importation into the country. Meanwhile, prior to the involvement of Central Bank of Nigeria Anchor Borrowing Programme, virtually all the local government areas in the state produced rice in large quantities. Perhaps, the rationale behind the choice of Kebbi State as a litmus test by the Federal Government. Through the Central Bank of Nigeria Anchor Borrowing Programme; a loan initiative, massive rice production was launched by the Federal Government in the state with several rice farmers in the state taking advantage of the loan initiatives. Apart from the cash, farming inputs such as fertilizer, improved rice seeds, herbicides and watering machine were provided. Coupled with the promise of the State Governor, Senator Abubakar Bagudu to give political will to the success of the programme, Kebbi State has made significant landmark in rice programme was launched in the State. The significant achievement Kebbi state recorded in rice production witnessed influx of investors into the State. Modern giant rice mills; Watcot Rice Mills, with a capacity of producing 400 metric tonnes per day and 120,000 metric tonnes per year and Labana Rice Mills with a capacity of 16 tonnes of rice production per hour were established. These are Rice Mills with state of art equipment. Apart from mini rice mills constructed in Kamba, Jega and Bunza by farmers in the state, Aliko Dangote, one of the richest in the world was equally endeared by the rice revolution and sought for cooperation of Kebbi State Government to establish another modern rice mill in the State.[10] In the words of former minister of Information, Lai Mohammed on his assessment tour to some of the mini rice mills and Labana Rice Mills in Birnin Kebbi, he commended the state and said, "Kebbi is taking the lead through rice production to help in improving the economy of Nigeria and creating thousands of jobs for

young men.” It is not a surprise to see many states now seeing Kebbi as the ‘Lion in the Desert’, when it comes to rice production. [11]

### **III. The multiplier effect of the ban on rice importation**

Using Kebbi as a litmus test by the Federal Government, the resultant effect of Kebbi State revolution in rice production through the Central Bank of Nigeria Anchor Borrower Programme; loan assistance scheme transformed rice production from subsistence production to mass production for commercial purpose. One significant thing about Kebbi State is the potential to cultivate rice farming during wet and dry seasons. This invariably means rice production throughout the year. For instance, during the wet season in the year 2016, Kebbi state rice production was put at 2.05 million metric tonnes while production during the dry season was 1.51 million metric tonnes, thus, making Kebbi State the highest producer of rice in Nigeria.[12] This achievement could not be unconnected with the political will and commitment of the State Governor. Perhaps, the rationale behind the Governor being appointed Vice-Chairman of the Food Security Council, inaugurated on Monday, March 26, 2018 and Chaired by President Mohammed Buhari himself. Engendered by this giant success, the Lagos State government enters into agriculture agreement with Kebbi State government for the provision of rice for Lagos state growing market which eventually culminated in LAKE Rice, a brand name and an acronym for the partnership and collaboration between Lagos and Kebbi States. Kano State is equally involved in rice production during wet and dry seasons. For instance, wet season rice production amounted to 1.8 million metric tonnes while dry season production amounted to almost 1million metric tonne with the assertion and determination of the state government at developing rice pyramid for storage in Kano State.

Taking cue from rice production revolution in Kebbi and Kano States other states key into the programme. State such as Kogi launched the Rice Farmers Association of Nigeria. The government emphasised on the efforts of the government towards achieving self-sufficiency in food production. Thus, to boost rice production and self-sufficiency in food production, Kogi State government established Rice Mill Plant in Ejiba with a capacity of 50 tons per day. Ogun State is equally involved in the production of Ofada rice while Benue State, the commitment of the State government resulted in the production of 1.5 million metric tonnes. Presently, almost three-quarters of the States are involved in rice production with the assistance of the intervention programmes of the Federal government and Central Bank of Nigeria Anchor Borrower Program. The implication is that there is progress in rice production in the country which is an evidence of the fact that, with strong political will of the leaders, Nigeria can be self-sufficient in food production. Nigeria is so blessed with natural resources that importing food stuff should be seen as aberration. The Central Bank of Nigeria asserted that the volume of rice importation into Nigeria greatly declined in 2018, with claim that the figures obtained from the two foremost rice exporters to Nigeria, India and Thailand, were evident. This development was attributed to assiduous efforts of the Ministry of Agriculture and Central Bank of Nigeria. Although despite the efforts at self-sufficiency in food production and a 70% import tariffs on rice to discourage importation, Nigeria society is still pervaded with foreign produced rice. The question now is, how did the foreign produced rice enter Nigeria, going by the Central Bank of Nigeria claims that it did not give out foreign exchange for rice importation? There are accusations and denial of the connivance and involvement of some Nigeria Custom officials in the smuggling of rice into the country.

By and large, inspite the influx of foreign produced rice, the political will of Buhari administration to encourage self-sufficiency in food production with the ban on rice importation into the country is laudable. This decision has impacted in no small measure on the socio-economic status of the citizenry. As a result of rice production revolution, states such as Kebbi, Kano are beehives of economic activities patronized by other adjoining countries while other states that key into the Central Bank of Nigeria Anchor Borrower Programme have been able to reduce unemployment directly as lots of people hitherto unemployed take advantage to go into commercial rice farming.

On the other hand, indirectly, the measures taken by the Buhari administration to revolutionalise rice production locally equally provide employment opportunities for other subsidiary activities involved. For

instance, marketing, which according to Khols and Downey is ‘the performance of all business activities involved in the flows of goods and services from the point of initial... production until they are in the hands of ultimate consumer.’[13] Dahl and Hammond in a similar vein, view marketing as a sequential series of functions that need to be performed as the input or product moves from its point of primary production to ultimate consumption. [14] The underlying idea is that production ends and marketing begins when transfer of ownership takes place. The charge to marketing, in an exchange system, is to effect coordination between what is produced by the producers and demanded by the customers.

Marketing is, therefore, nothing more than one dimension, an ongoing process, within the exchange system that serves to bridge the gap between the producer and consumer. Being a bit more specific, marketing might be defined as the set of economic and behavioural activities that are involved in coordinating the various stages of an economic activity from production to consumption. Hence, the chains of coordination involved, such as transportation, loading and offloading, companies producing the sacks for packaging, and so on in one way or the other provide employment opportunities, thereby enhancing the socio-economic status of those involved.

### Conclusion

Now, the question is; should the government relax land border importation of rice because of the generated revenue from duties or maintain the ban and continue to forfeit the revenue that would have accrued to the government to high magnitude of smuggling activities? Like the biblical saying of Apostle Paul; shall we continue in sin and expect grace to abound? God forbid. So definitely, Nigeria cannot continue to be a food-import dependent nation. A pragmatic approach adopted by the Buhari administration is laudable and needs the support of all and sundry for self-sufficiency in food production in Nigeria.

In the words of Kofi Annan, Africa is the only region where overall food security and livelihoods are deteriorating. We will reverse this trend by working to create an environmentally sustainable, uniquely African Green Revolution. When our poorest farmers finally prosper, all of Africa will benefit. [15]

Nigeria needs to reverse the trend of being food-import dependent nation. Nigeria is so blessed that importation of food should be considered an aberration.

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