

## THE ROLE OF AGRICULTURE IN THE NIGERIAN ECONOMY SINCE INDEPENDENCE

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### Introduction

The Nigerian agricultural sector deserves to be studied not less for the contribution of such knowledge to our understanding of the past, and present, but more for the usefulness of such knowledge in shaping the sector. The role that agriculture plays in Nigeria's national economy since her independence may be determined by considering first, the changing structure of the national economy. As the national economy changes, also the role of agriculture. The observed structure at successive periods thus reveals the contribution that agriculture makes to the national economy. A total picture could also be presented through an examination of the contribution of agriculture to the gross domestic product GDP, over the years. It is also possible to add to the above presentation, the annual production of each agricultural crop over the period, or the productivity of the individual farmer as the years pass by. No doubt, the role of agriculture shall not remain static, for as deliberate efforts are made to develop the economy, the agricultural sector is also affected, although several endogenous factors also influence development within the sector. An empirical approach to the understanding of what is happening within the sector is to be preferred and such is documented in small scale studies conducted already by such scholars as FRICKE (1965), TIFFEN (1976) and MALCHAU (1999a+b)<sup>1</sup>.

### The first decade

Nigeria entered the first decade of her independence depending heavily on the agricultural sector to supply her food needs, generate employment for the rapidly expanding population and provide agricultural raw materials to keep the newly established industries going. However, it is sad to say that about a decade after independence, the economic climate in Nigeria for promoting the growth of agricultural production changed. Not only did production in the agricultural sector drop in most of the principal agricultural products, employment opportunities in agriculture shrunk as many farmers deserted the countryside. The prices of agricultural products went up. One of the reasons often given to explain the above situation is that the development of the mineral oil industry had a serious detrimental effect on agriculture. There are

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<sup>1</sup> References see p. 172

also a number of other reasons, such as the ever present institutional constraints, governments attitude towards agriculture especially its meagre spending. Such other factors as unfavourable policies towards agriculture and events in the international markets affect production. Not to be left out, is the development of the agricultural sector itself, which brings a number of changes in other sectors.

The rapidly expanding oil industry, its exploration, exploitation, processing and management affected seriously Nigeria`s performance in the agricultural sector`s production to meet domestic needs and for exports. The easy money that the oil sector brought in, made the oil sector dominant, but it could not integrate the national economy as agriculture does. Although the agricultural sector still produces the bulk of the food upon which the rapidly growing population of Nigeria depends, the sector`s role has been diminishing.

Tab. 1: Economic structure of Nigeria

(% of GDP)	1976	1986	1996	1997
Agriculture	29.1	38.7	30.7	32.7
Industry	32.3	26.0	49.2	46.9
Manufacturing	5.1	8.7	4.8	4.8
Services	38.6	35.3	20.1	20.4
Private consumption	62.6	74.1	58.5	69.6
General government consumption	11.7	14.3	8.0	8.5
Imports of goods and services	23.9	20.5	27.4	34.3

(Average annual growth)	1976-86	1987-97	1996	1997
Agriculture	-1.2	3.4	4.1	4.2
Industry	-2.4	3.1	4.5	3.1
Manufacturing	4.5	3.1	2.4	1.3
Services	0.1	5.5	4.4	3.4
Private consumption	2.8	-0.5	-0.1	27.0
General government consumption	1.8	3.5	-8.8	18.5
Gross domestic investment	-13.4	13.4	-0.4	0.0
Imports of goods and services	-4.3	4.1	-15.6	53.6
Gross national product	-1.5	4.7	3.4	5.1

Source: WORLD BANK (1998)

## A declining role: the scenario

The total population of Nigeria in 1960 probably stood at sixty million people at the beginning of our independence. At an annual growth rate of 2.5 per cent the population would have taken barely thirty years to double itself. The country's population is beyond that point now, and the country finds it difficult to feed itself since agricultural production of the country is not growing at a constant rate, and sometimes is not growing at all. This position leaves much to be expected of the agricultural sector whose traditional role is to provide food, work, and raw materials for the nation's population. It also means that the burden of providing other basic needs of the population would have been more than doubled while agricultural production and individual productivity were increasing very slowly or even declining.

The stage for discussing the decline could be set by considering the structure of the economy over the last forty years. Data provided in Table 1 reveal the structure of the Nigerian economy at three chosen periods: 1975, 1986, and 1996 (WORLD BANK 1998). The first row of data refer to 1976, sixteen years after independence. Subsequent data for 1986 and 1996 are presented. The last row, 1997 shows what followed immediately after. The most important thing to note is the unstable trend in the share that agriculture contributes to the gross domestic product (GDP). From 63.1 at independence 1960 it had declined to 29.1 per cent in 1976, it rose to 38.7 per cent over the 1980's and went down to 30.7 per cent in 1996 (Fig.1).

As the lower part of Table 1 shows, growth in other sectors was negative at some period, but marked equally by instability. More remarkable, of course, are the data on the importation of goods and services. After a dip down in the late 1970's it continued to increase from 20.5 per cent in 1986, through 27.4 per cent in 1996, and to 34.3 a year later. On the whole, the gross national product has been growing at a rate that can hardly match the steady, rapidly growing population, and that of population's demand for food and other basic needs.

What goes on within the economy will be better illustrated with the graph Figure 1 which shows the per centage contribution made by agriculture to the gross national product over the years. The trend goes from 61.2 per cent in 1962 to 36.9 in 1972. All the years till 1980, except 1968, and again from 1989 show declining contribution (FAMORIYO, 1980 p.12).

A study of the index of agricultural production from 1970 to 1995, Figure 2, reveal a very slow growth rate in the production of staples, with 1984 as the base year, every year's production before that time in livestock fell below 100 per cent. Production during nine out of the fifteen years, between 1960 and 1984 was below 80 per cent. Productivity of livestock which is one of the basic agricultural products of northern Nigeria reached its highest in 1995 with an increase of only 71 per cent after eleven years - barely 0,71 per cent.

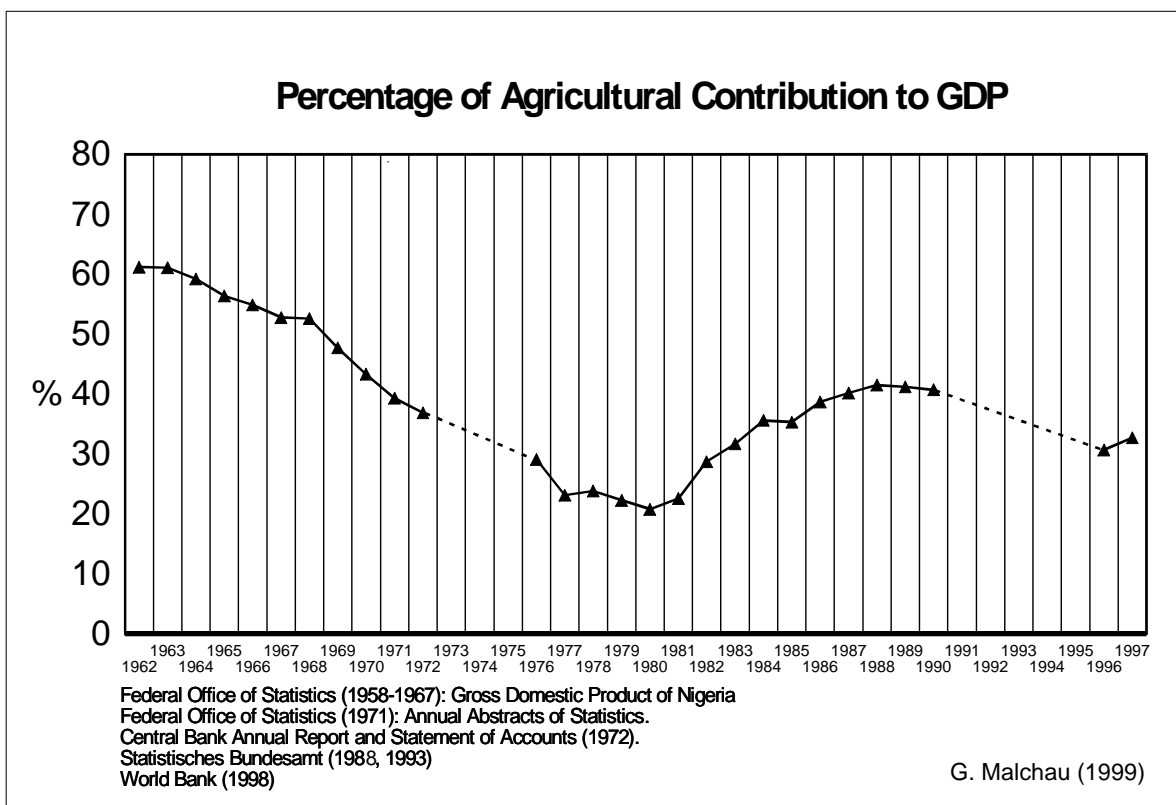
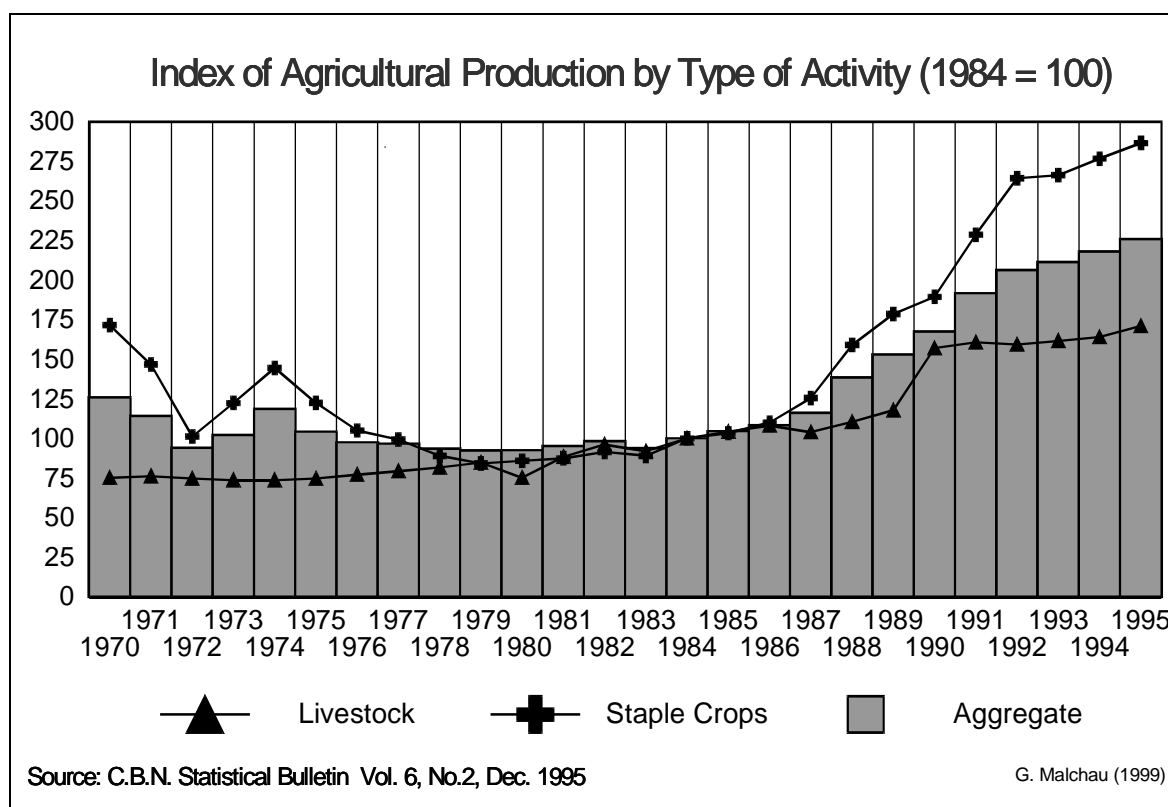


Fig. 1: Percentage of agricultural contribution to GDP

For staple crops, the situation was not so bad during the early years of independence, but the period between 1977 and 1983 witnessed noticeable decline in production. There after, low increases were recorded until in 1995, when the total reached 186.6 over the base year 1984. At an annual growth rate of 0.62 per cent over the thirty year period, one could say that agriculture lagged behind demand, at least in food production., and therefore failed to play the role expected of it in the national economy. The figures for aggregate production rate – last column - include three other items not presented in Figure 2. These items are fish, forestry products, and other crops, which fall under staples, whose figures are provisional. Again, it might be said that growth in agricultural production was slow and unimpressive over the first twenty years of independence, but much worse during the last fifteen.

Table 2 illustrates the position of food crop production. In general, the decade between 1970 and 1980 was a period of decline in output of food and cash crops according to the data in Table 2, maize production declined from 1.443 million tonnes in output to 0.612 million in 1980. During the same period, the situation was as follows for other food crops such as beans, cassava and yams. The production of beans fell from 0.844 million tonnes to 0.510 million tonnes, that of cassava from 5.224 million tonnes to 0.942 million, and yams, from 12.303 million tonnes to 5.248 million tonnes during the same period.

Tab. 2: Index of agricultural production by type of activity (1984=100)



For cash crops, Table 3, except for palm oil which showed consistent increase in output between 1970 and 1990, the production of other cash crops was also on the downward side. The most remarkable decline was in groundnuts production where the 1.581 million tonnes of 1970 fell to only 262 million tonnes in 1990. Cotton recorded nearly 30 per cent decrease, from 358 tonnes in 1970 to 215 tonnes in 1990. The same downturn was true for cocoa.

Table 4 shows yield per acre of some selected crops in some Nigerian national agricultural centres. The downward trend in production is still noticeable. The following crops - cassava, guinea-corn, maize, rice and yams are picked for illustration against the survey centres, Imo (cassava), Benue (guinea-corn), Kaduna (maize), Bauchi (rice) and Cross River (cassava). Table 4 shows that cassava production in Imo centre dropped from 11.300 kg per hectare in 1979-80 to 9.286 kg per hectare in 1980-81 and to 7.000 kg per hectare in 1981-82. Guinea corn, the most basic food stuff of the peasant in the northern states had a yield of 2.156 kg per hectare in 1979-80, at the Benue station, 829 kg per hectare in 1980-81 and then an increase - although not up to the 1979-80 - total to 1.815 kg per hectare. Rice in Bauchi showed remarkable increase from 500 kg per hectare in 1979-80, a drop to 366 kg per hectare followed and a phenomenal increase to 200 kg per hectare in 1981-82. Yams in the Cross River centre had on the average yields of 9.235 kgs per hectare in 1979-80, 7.333 kg per hectare in 1980-81, and an increase to 11.059 kgs per hectare in 1981-82. In general, a declining total output, decreasing productivity per farm, per person, and an increasing population growth normally prepares the ground for political crisis. Food insecurity, unmet

demands for non food agricultural products creates a trend hardly conducive to peace and stability (AKPAN 1994).

Tab. 3: Output of major food crops in Nigeria 1970-1990 ('000 tons)

	1970	1975	1980	1985	1990
<b>Maize</b>	1,443	1,332	612	1,190	2,205
<b>Sorghum</b>	4,053	2,920	3,346	4,991	4,019
<b>Rice</b>	280	504	105	196	491
<b>Wheat</b>	19	18	23	0.9	303
<b>Beans</b>	884	858	510	611	1,334
<b>Cassava</b>	5,224	2,324	942	1,378	3,675
<b>Yams</b>	12,303	8,620	5,248	4,738	7,813
<b>Coco yams</b>	1,381	504	208	0.9	631
<b>Plantain</b>	985	1,016	1,042	1,113	1,972
<b>Vegetable</b>	1,098	1,303	972	0.9	1,761

Source: C.B.N. Statistical Bulletin 1 (1 and 2) Dec. 1990, p78

Tab. 4: Production of major cash crops in Nigeria 1970-1990

	Cocoa	Cotton	Ground-nuts	Palm-kernel	Palmoil
<b>1970</b>	305	358	1,581	315	488
<b>1975</b>	216	313	449	295	300
<b>1980</b>	153	77	674	279	650
<b>1985</b>	160	144	621	360	605
<b>1990</b>	244	215	262	620	720

Source: C.B.N. Statistical Bulletin 1 (1 and 2) Dec. 1990, 179

Tab. 5: Yield per hectare of selected food crops in Nigeria (Kilos)

Crop	State	1979/80	1980/81	1981/82
Cassava	Imo	11,300	9,286	7,000
<b>Guniea corn</b>	Benue	2,156	829	1,815
<b>Maize</b>	Kaduna	794	1,471	680
<b>Rice</b>	Bauchi	500	366	2,000
<b>Yam</b>	Cross River	9,235	7,333	11,059

Source: Culled from Federal Office of Statistics Nigeria National Integrated Survey of Households; Reports of Rural Agricultural Survey 1981/82, January 1983.

The presentation of the above scenerio serves to remind us that all is not well with the agricultural sector of the Nigerian economy. This situation calls for action at many fronts, but first researchers must find out what is wrong.