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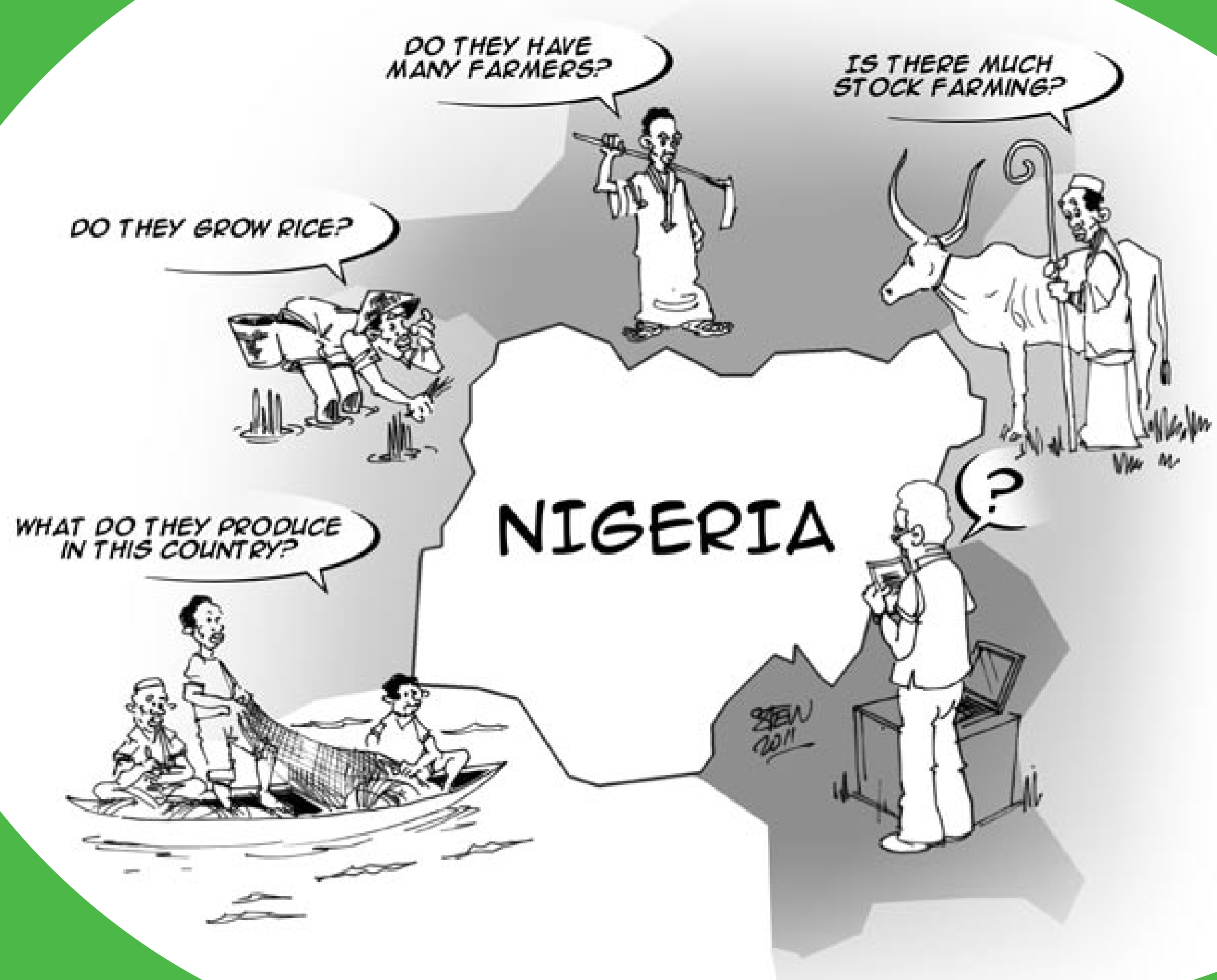

Special Issue: Nigeria

A Look at the Agricultural Giant of West Africa

Contents

Grain de sel is printed on coated paper made entirely from recycled materials (Cyclus Print).

A Grain de sel *"Country Report"*

Breaking with its custom, *Grain de sel* is devoting this issue exclusively to one country, Nigeria. Why this country? Nigeria alone represents half of the population of West Africa and half of its economy. Despite its size and influence on all surrounding countries, most rural and agricultural development actors in French-speaking countries (and sometimes in English-speaking countries as well) both in the North and within Africa know little about Nigeria.

This special issue contains reports on initiatives, analytical assessments and opinion pieces that aim to inform readers about the West African "giant with feet of clay". Focusing on agriculture, this issue pays particular attention to Nigeria's influence in the sub-region.

What is the current status of crop and animal farming in Nigeria? How has agricultural policy evolved in this country? How are farmers' organizations doing in Nigeria? What dynamics influence agricultural trade between Nigeria and its neighbours? What role does Nigeria play in ECOWAS? All of these questions are discussed in this issue.

We thank all the authors for their contributions and input, and the members of the *Grain de sel* editorial committee, John Odozi who worked for several months to prepare this issue, along with M. Mitaut, L. Pacoud, J-F Sempéré, J-R Cuzon and D. Simon.

An extensive bibliography was compiled during the preparation of this issue; it is available on the Inter-réseaux website at: http://www.inter-reseaux.org/ressources-thematiques/ressources-par-pays/article/ressources-sur-le-nigeria. A special online newsletter on Nigeria has also been published: http://www.inter-reseaux.org/bulletin-de-veille/article/bulletin-de-veille-no167-special

This bulletin received financial assistance from the Agence Française de Développement (AFD), the European Union (EU) and the International Fund for Agricultural Development (IFAD).

In addition to this issue of *Grain de sel*, readers may wish to consult "Nigeria: from oil giant to agri giant" in *Défis Sud* No. 95: http://www.sosfaim.be/developpement-rural-FR-publications-defis_sud-nigeria_petro_geant_agro_geant.htm

The Nigerian Giant, an Imposing Neighbour

By its size and population Nigeria is almost a subcontinent in and of itself. The country continues to have one of the most dynamic economies in Africa, with GDP growth of around 6% in 2009. The effects of the international crisis have been felt, however, with a significant drop in oil prices, scarcer credit and a financial sector made fragile by toxic assets. These factors threaten the precarious macroeconomic equilibrium that had been attained between 2003 and 2007, and it is increasingly difficult to believe in the ambitious "2020 Vision" that aims to make Nigeria the world's twentieth-largest economy by 2020. Although Nigeria is the second-ranking economic power in sub-Saharan Africa, its economy is lacking in competitiveness, ranked ninety-third out of 134 countries. The country's economic performance is above average for sub-Saharan Africa, but well below that of other regions in the world. The economy is not diversified and remains largely dependent on the petroleum sector, with the consequence that the country's budgetary circumstances are highly correlated to fluctuations in the price of oil.

Inversely, Nigeria has been able to hold its food dependence at a relatively low level compared to other West African countries. Regarding rice, a staple that is central in the food policy debate in West Africa, comparison of degrees of rice dependency across the sub-region show an ongoing deterioration of the rice balance, except in Nigeria. Rice growing in Nigeria has in part met rising demand, thanks to substantial support policies. However, while local rice production reaches the cities in the centre of the country, the large coastal cities continue to be supplied heavily with imported rice. Nigeria is thus simultaneously the most powerful agricultural economy in the region, and the country that imports the most food (via both regulated and controlled channels and informal and illegal pathways).

The development of trade between Nigeria and neighbouring countries reflects a trend that is seen well beyond Nigeria. The shift of trade to bordering areas and regional markets is happening in two apparently contradictory directions. First, the regional integration dynamics supported by ECOWAS are increasingly successful in erasing national borders. Second, some bordering countries are increasingly pushing for wider use of cross-border differentiation. Intra-regional trade with Nigeria is set in a framework of multiple realities: food security issues in Niger with informal trade flowing from Nigeria, competition issues with Cameroon, re-export trade issues with Benin. The markets that prosper on both sides of the Nigerian border make these regions remarkably dynamic in terms of trade. The intensity of trade and its ambiguous effects in the different countries raise many questions about trade policy, in particular with respect to grain products.

Nigeria's trade policy contrasts sharply with that of its neighbours, by its instability as much as by its protectionist tendencies. Although Nigeria has subscribed to the ECOWAS stipulations (and is the seat of the organization's headquarters), the Nigerian government continues to apply high tariffs to certain products, and issues import bans every year. These disparities between countries are a boon to trade networks that are well integrated across the regional area. It is likely that implementation of a free-trade scheme within ECOWAS will strengthen trade with Nigeria, but in this case the future of re-export trade will be jeopardised. This poses a challenge for the different value chains and their actors, namely reconversion and developing the capacity to meet consumer demand, in particular in cities. This also implies, assuming that government authorities agree, that Nigeria revise its tariff policy across the board (a maximum customs tariff of 35% and an end to import bans).

These issues raise questions about Nigeria's role in meeting the challenges of regional integration, and in particular the country's agricultural sector's position in today's regional dynamics. We hope that this issue of *Grain de sel* will provide readers with keys to understanding the situation and some solutions to the problems.

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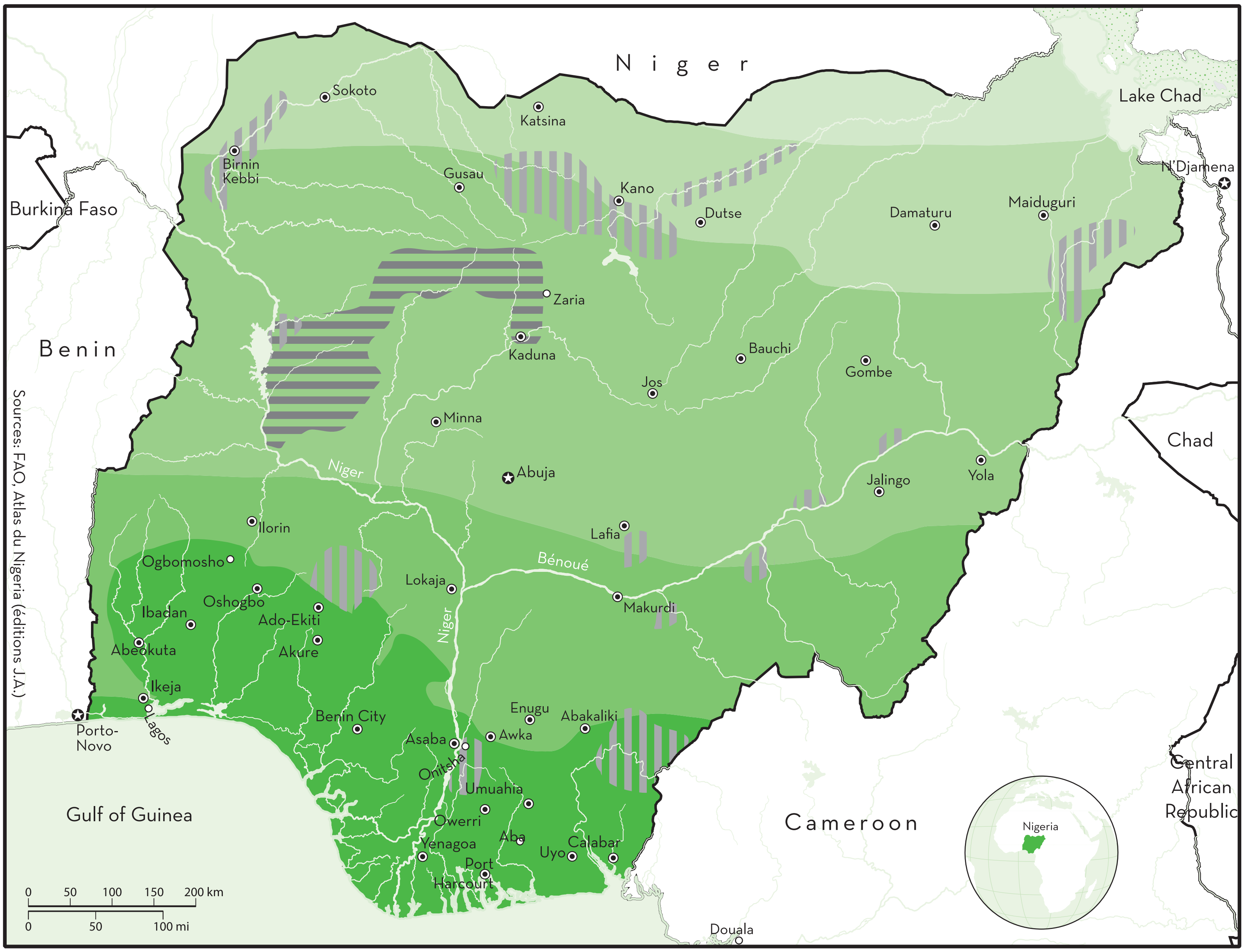
Facts on Nigeria

Agricultural Activity in Nigeria



Nigeria

- National capital
- State capital
- City

- pastoral zone
- agro-pastoral zone (millet, sorghum, livestock)
- mixed grain and root crops (maize, cassava, yams)
- area specialised in root crops (yams, cassava, taro root)
- plantation zone (coconut, oil palm, hevea, cola nut, cocoa bean)
- irrigated zone (rice)
- cotton

Nigeria and West Africa (2010 estimates)

Sources: OECD, UNEP, World Bank, IMF

	Nigeria	West Africa (ECOWAS)
Total Population	152 million	291 million (52%)
Rural Population	78 million	165 million (47%)
Population Growth	2%	2,6%
Surface Area	923,770 sq. km.	5,115, 000 sq. km. (18%)
Human Development Index (HDI)	0.423 (ranked 142nd out of 169)	0.389 (sub-Saharan Africa)
Gross Domestic Product (GDP)	$328 billion	$505 billion (65%)
Per Capita GDP	$2,100	$1,684
GDP Growth	4.4%	3%
Percentage of the Population Living Below the Poverty Line	50%	41.1% (sub-Saharan Africa)
Life Expectancy at Birth	48.4 years	52.7 years (sub-Saharan Africa)
Infant Mortality	20%	11.2%
Literacy	Women: 64% Men: 80%	60%

A Large and Divided Population. With a population of over 150 million people, Nigeria is the most populous country in Africa. It is home to one-sixth of the continent's population, and to half of the people in ECOWAS. It is also one of the most urbanised countries in Africa, with at least twenty-four cities of over 100,000 residents.

Nigeria is highly diverse, with a large number of ethnic, cultural, linguistic and religious groups. There are more than 250 ethnic groups in the country. The northern part of the country is inhabited mainly by people of the Hausa group, the majority of whom are Muslims. The Yoruba group is the dominant group in the south, more than half of whom are Christians and one-quarter Muslims. The south-eastern part of the country is dominated by the Igbo, mostly Christians. The country's problems in building unity stem in part from this vast diversity.

Nigeria faces chronic inter-ethnic tensions that sometimes degenerate into outbreaks of violence. In November 2008, July 2009 and more recently in January 2010, the dissension between Christians and Muslims led to clashes in the city of Jos (Plateau state) in the centre of the country. One of the major political challenges is to maintain a balance between northern Nigeria where the population is primarily Muslim (Sharia law is officially in effect in twelve states) and the economy is declining, and the predominantly Christian South that provides most of the country's resources.

The regimes that have successively governed the country since its independence in 1960 have sought to break the hold that the three major ethnic groups exercise in their respective regions (North, South-West, South-East) that made up the original federal state. To this end they have created more states in the federation, the number of which grew to twelve, then twenty-one, and then finally thirty-six states in 1996. The cohesion of the federation, which is particularly fragile, was jeopardised as early as 1967 with the war of secession in Biafra. Regional rivalries continue to this day. The subdivision into twenty-one and then thirty-six states has lowered the risk of ethnic conflict, however.

A Powerful Economy, Largely Dominated by Oil. Nigeria is the second largest economic power on the continent, after South Africa. Oil accounts for roughly 80% of its fiscal revenue and 97% of the country's exports. Nigeria is the world's eighth-largest oil exporter, and has been a member of the Organization of the Petroleum Exporting Countries (OPEC) since 1970. Paradoxically, the country often experiences fuel shortages and many refineries are running under capacity or not running at all. Insecurity in the Niger Delta zone and large-scale theft of oil cause a production shortfall that today reaches 1.8 million barrels a day, compared to full production capacity of 3 million barrels a day. Nigeria has even lost its position as top sub-Saharan oil producer to Angola. Oil and gas fields are being developed offshore, where major reserves are located and less exposed to insecurity.

Agriculture[1] employs over 70% of the active population and is the major contributor to GDP (36.5% in 2009), followed by oil and gas (32.3%). Other main contributing sectors are wholesale and retail trade (15.9%) and services (8.2%).

Manufacturing's meagre contribution to GDP, only 2.4%, reflects the low level of industrialization in Nigeria's economy. Industrial activity is concentrated in Lagos and, to a lesser extent, in the other big cities (Kano, Kaduna, Ibadan and Port Harcourt). Industrial production comprises essentially textiles, beverages, cigarettes, detergents and cement. The informal sector is highly developed in Nigeria.

At present, the country's economic structure is insufficiently diversified. It is heavily dependent on a capital-intensive petroleum industry, whereas most of the ➲

▸ This article is based on several sources of documentation, in particular:
- *Atlas du Nigeria*, Atlas de l'Afrique, Éditions J.A., 2003, 157 p.
- African Economic Outlook: Nigeria http://www.africaneconomicoutlook.org/en/countries/west-africa/nigeria/
- French Ministry of Foreign and European Affairs website http://www.diplomatie.gouv.fr/fr/pays-zones-geo_833/nigeria_353/presentation-du-nigeria_1008/index.html
- Perspective Monde, Sherbrooke University http://perspective.usherbrooke.ca/bilan/servlet/BMPays?codePays=NGA
- U.S. Department of State http://www.state.gov/r/pa/ei/bgn/2836.htm

1. See the article on page 16 for more information on agriculture in Nigeria.

Other Important Economic Data on Nigeria (2010 estimates)

Source: IMF

Currency (naira)	100 Naira = €0.48 = FCFA 314 (February 2011)
Agriculture % of GDP	36.5%
Oil and Natural Gas % of GDP	32.3%
Oil and Mining Products % of Exports	97%
Agricultural Products % of Exports	2.2%
Manufactured Goods % of Imports	72.3%
Agricultural Products % of Imports	23.7%
Oil and Mining Products % of Imports	4%
Budget Deficit (% of GDP)	2.8%

population is employed in agriculture. The country would like to diversify its sources of revenue and free itself from its dependence on oil in order to bring in more money and protect its economy from fluctuations in oil prices. To achieve this, the government drafted the "2020 Vision" plan for Nigeria that aims to diversify the economy. Given the pace of roll-out, it seems doubtful that this programme will successfully place Nigeria among the top twenty economies in the world by 2020.

An Unstable Political Situation. Nigeria's political history has been agitated since the country attained independence on 1 October 1960. Between 1967 and 1970, the Igbos of south-eastern Nigeria sought to secede and founded the Republic of Biafra. Biafra was reintegrated into Nigeria after a brutal war and unprecedented famine that claimed nearly one million lives.

Nigeria saw a succession of military dictatorships and coups over a period of more than twenty-eight years. General Babangida took power in 1985. When he resigned in 1993, General Abacha instituted an authoritarian regime. In 1995, the international community condemned Abacha for the murder of several political opponents, and Nigeria was excluded from the Commonwealth. In 1998, General Abubakar succeeded Abacha and pledged to transfer power to a civilian government.

Olusegun Obasanjo, a former military leader, was elected President of the Republic in 1999, and then re-elected in 2003. Barred from standing for a third term in office by the Nigerian constitution, Obasanjo nonetheless put all his weight into the nomination and election of the presidential "ticket" of his party, the People's Democratic Party (PDP), in April 2007. The candidates on the ticket were Umaru Yar'adua, governor of the state of Katsina, in the North, and Goodluck Jonathan, governor of Bayelsa in the South. In addition to chaotic organization, this election was marred by widescale fraud and serious violence. The prolonged absence of Yar'adua, from his hospitalization in November 2009 until his death on 6 May 2010, compounded the political instability. Goodluck Jonathan was sworn in as acting president on 9 February 2010. Belying his reputation as a discreet man, he immediately took a series of strong measures. The next round of presidential, regional and local elections will take place in 2011.

Poverty, Inequality and Corruption Against a Backdrop of Oil Rents. Nigeria has relatively low human development indices despite abundant natural resources. In 2007, half the population was living below the poverty line, set at $1.25 per day. Furthermore Nigeria has fallen behind schedule for Millennium Development Goal (MDG) attainment, including the goal of halving poverty by 2015. The Global Hunger Index (GHI), composed of three indicators (access to sufficient quantities of food, infantile nutrition and the infantile mortality rate), ranks Nigeria among the countries with the most serious food security problems.

Nigeria is one of the few countries in the world with significant oil resources to have a budget deficit. It is also sadly well-known for record levels of corruption, which has greatly increased since the oil boom of the 1970s. In 2010, Transparency International ranked Nigeria as the twelfth the most corrupt country in the world. It is estimated that over 300 billion dollars worth of Nigerian oil have simply disappeared. Abacha and his family are suspected of having siphoned off more than $4 billion in public funds between 1993 and 1998. Facilitated by corruption and by the general opacity of the world financial system, the flows of funds drained by illicit financial practices are a major handicap for the country's development.

Infrastructures, and particularly the electricity supply system, are generally in poor condition. Although rich in hydrocarbon resources, the country is facing an energy emergency. Electricity production capacity is less than 3,000 MW (in comparison, South Africa has a production capacity of 36,000 MW for a population of 48 million), and the natural gas flows associated with oil production are not optimized.

Poor transport infrastructures are one of the main hindrances to development. The state of the roads and the quality of port management and airport maintenance must all imperatively improve.

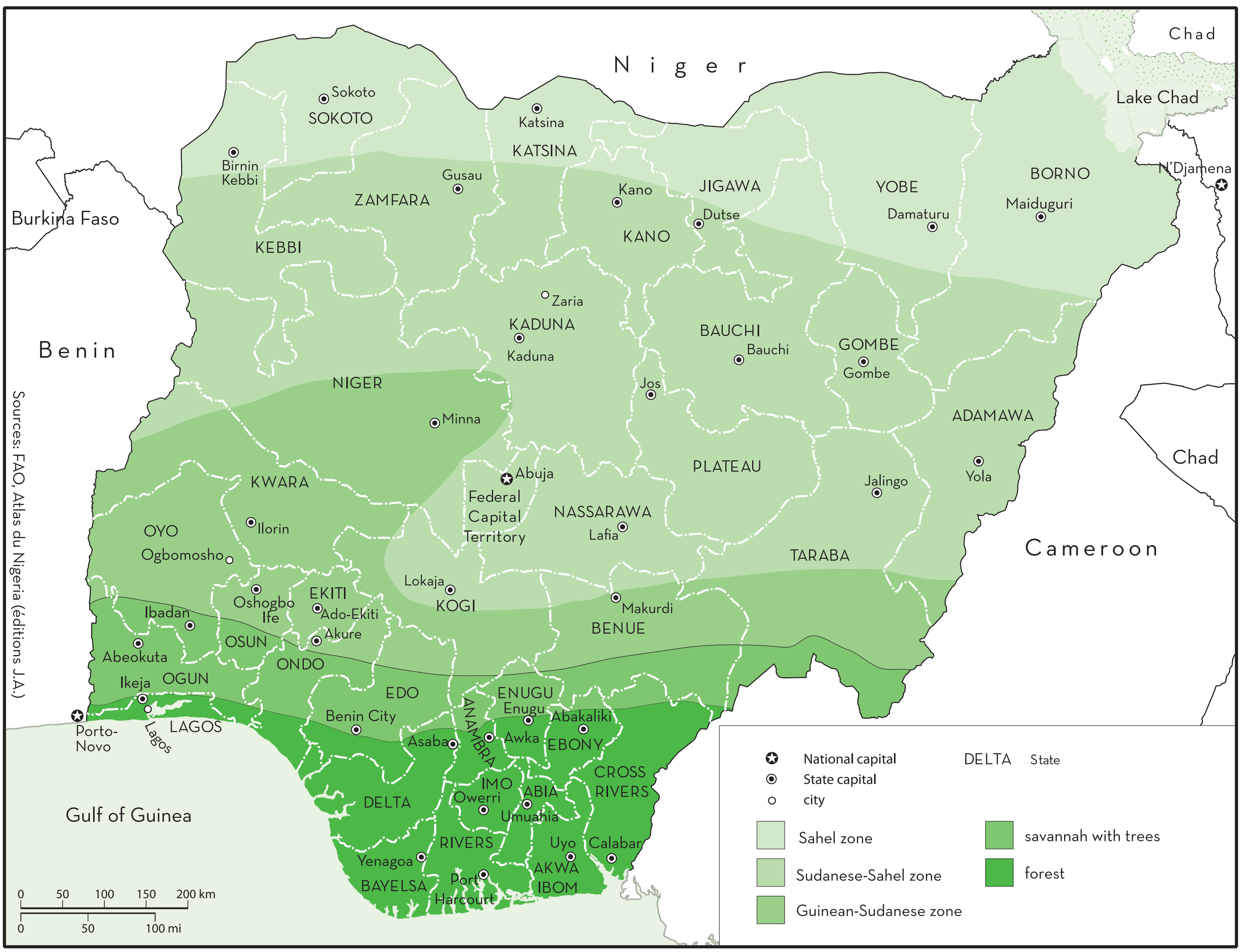
The Niger Delta Conflict: A Human, Environmental and Economic Tragedy. The conflict in the Niger Delta region poses a serious political and economic problem for Nigeria. Activists denounce the environmental pollution caused by oil companies and the widespread poverty among the local population. The oil companies' practices in the region, and the complicity of the Nigerian government, have been severely criticised. The tension between local residents and the forces of law and order has engendered a number of assassinations and massacres. In the 1990s, the Movement for the Survival of the Ogoni People (MOSOP) was created to fight Royal Dutch Shell's activities using non-violent means. After five of its leaders were executed (including Ken Saro-Wiwa, on 10 November 1995), the movement gradually died out. In the following years, a more violent group—the Movement for the Emancipation of the Niger Delta (MEND)—came into being and is still active.

Common-law criminals also take advantage of the situation to kidnap foreign workers for ransom. This conflict has cut the country's oil production by one-third, draining public revenues. Daily production has fallen, from 2.5 million barrels in 2006 to 1.7 million in mid-May of 2009.

The prospect of a lasting solution appeared on the horizon in 2009, when the government and the armed movements came to an agreement that could end the conflict. The main group, MEND, subsequently declared a cease-fire. Thousands of militants laid down their arms and joined a reintegration programme. However, as of this writing, peace has not yet returned to the Niger Delta. Ensuring that the funds allocated to the region are used to the benefit of those who are entitled to them but do not fuel corruption will be a major challenge.

A Major Regional Influence. In the field of foreign policy, Nigeria has established itself has a leading diplomatic player in West Africa and within the African Union. Nigeria helps promote ECOWAS, which has its headquarters in Abuja. In 2007, Nigeria used all its influence within this organization to make sure that it refused to sign the Economic Partnership Agreement (EPA) with the European Union (EU) according to the planned timetable. ECOWAS is a fundamental instrument for Nigeria's influence in Africa and in its relationship with the EU.
Nigeria has also taken a great many initiatives to resolve conflicts. It was deeply involved in the end of the Liberian crisis, through its participation in the Economic Community of West African States Monitoring Group (ECOMOG). It has conducted mediation and facilitation sessions in Sudan, the Democratic Republic of Congo and Zimbabwe in recent years. Nigeria has joined many peace-keeping operations, including the UN Mission in Liberia (UNMIL) and the African Union Mission in Sudan (AMIS).
In addition, the country has also broadened its horizons, acting to promote the New Partnership for Africa's Development (NEPAD).
Finally, Nigeria has a significant impact on the surrounding region by virtue of its population size and large diaspora, in addition to the financial power of its banks and the reach of Nigeria's film and television production (Nigeria is the world's third-largest film producer). ■

Administrative Divisions and Ecological Zones in Nigeria



Nigeria: Called to Hegemony

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WITH ITS PRIVILEGED POSITION in the sub-region, Nigeria is poised to play a pivotal role in ECOWAS. But Nigeria's elites and its public policies must show that they are up to this challenge.

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For further information: http://spirit.sciencespobordeaux.fr/pagescv/bach_bis.htm

A Decisive Economic Influence in the Sub-Region. Both within and outside of the country, Nigeria's vocation to dominate and structure the sub-regional environment is no longer contested, and Nigeria is expected to play a key role in African and international organizations. The time is long past when, in the late 1960s, the country's internal problems and the prospect of a rise in power due to its petroleum riches and geographical size led some to hope that Nigeria would be split into a number of micro-States. Since the 1970s, the development of trade between Nigeria and its neighbours, rooted in the history of pre-colonial societies and in the networks of brotherhoods found in northern Nigeria, has lost none of its vitality, now stimulated by the large diaspora of Nigerians across West Africa. Nigeria has become a central locus, given its abundant resources, demographic weight, and its attractiveness to neighbouring economies. Tightly linked to fluctuations in Nigeria's economy, economies throughout the sub-region are de facto increasingly tied to the Nigerian economy.

A Strategic Security and Energy Position. Since the 1990s, the government of Nigeria has contributed decisively to expanding the scope of ECOWAS' mandate beyond its economic objectives to include the issues of people's security and governance. This evolution was formalised under the 1999 protocol and largely reiterated in the act constituting the African Union, drawing lessons from the ECOWAS/ECOMOG[1] intervention spearheaded by Nigeria in Liberia and Sierra Leone. Lastly, the decade that has just ended has, above all, seen Nigeria's net worth rise even more, undoubtedly due in part to the end of military rule, but also and above all due to the quality of oil resources and the proliferation of promising discoveries in a region of western Africa that has become of strategic interest since the events of September 11, 2001.

The Weakness of Public Policies. Today, however, encouragement for Nigeria's role as a State power comes hand in hand with growing doubts about the unwanted effects of a political system that is known for its poor capacity to produce public policies. The end of military dictatorships has not helped calm the internal tensions intrinsic to the operation of a federal system explicitly based on highlighting and codifying geo-ethnic identities and divisions under what is called the "federal character" doctrine. Because access to resources and positions is determined by blood right alone (jus sanguinis), the "non-indigenous" population groups in any given state are the victims of discrimination that fuels recurrent tension. Fraught with massive electoral fraud in 2003 and 2007, the Nigerian political system is still awaiting broad constitutional reform. A prime issue at stake is a thorough review of the system of balances on which the country successfully rebuild itself after the civil war of 1967-1970. Until this issue is resolved, the underlying problems will continue to aggravate the crisis in the political system, the symptoms of which regularly make the headlines, such as the protests in the Niger Delta against the grabbing of oil revenues by just a few people, the instrumentalisation of religion (the adoption of Sharia law in twelve northern states, attacks by the Boko Haram movement in the North), and above all violence between "indigenous" and "non-indigenous" populations in Plateau state.

Corruption and the Informal Economy. While Nigeria has shown a remarkable capacity for self-analysis (as attested by the work of various constitutional bodies over the last thirty years), the capacity for reform continues to be hindered by the mediocrity of the elites holding positions of power. Some point to Nigeria as a prototypical example of private interests taking over the public domain, creating a neo-patrimonial and anti-developmental State, and Nigeria has indeed shown very little capacity to elaborate and implement public policies. If truly competitive elections are held in 2011, it is to be hoped that this will renew the political personnel and support the efforts of organizations in charge of combating corruption. The appointment of Attahiru Jega as chairman of the election oversight commission, and the presence of Nuhul Ribadu, former chairman of the Economic and Financial Crimes Commission, as a candidate in the presidential primary election, are two developments that have the considerable merit of focusing the spotlight of the debate on the issue of people's and politicians' integrity. Without progress in this area, Nigeria's implication in the sub-region will continue to rely heavily on what could be called integration "by default", more dependent on the development of unofficial trade than on the proactive implementation of policies and strategies. ■

1. The Economic Community of West African States Monitoring Group (ECOMOG) is an intervention force established by the Economic Community of West African States (ECOWAS) to monitor the cease-fire.

On the Way to a Single Currency for ECOWAS Countries?

Interview: Gilles Dufrénot (lopaduf@aol.com)

THE ECOWAS COUNTRIES are on the way to establishing a single currency by 2020. Nigeria is poised to play a major role in this process. While the plan apparently has unanimous support, "the devil is in the details."

▸Gilles Dufrénot is a professor of economic sciences at the University of Aix-Marseille (France). He has published several books on West African countries, and his articles on West African Economic and Monetary Union (WAEMU) countries appear regularly in the press. His most recent work, *Après la crise ? : Les politiques économiques dans le monde*, was recently nominated for the 2010 Prix Turgot for the best book on financial economy.

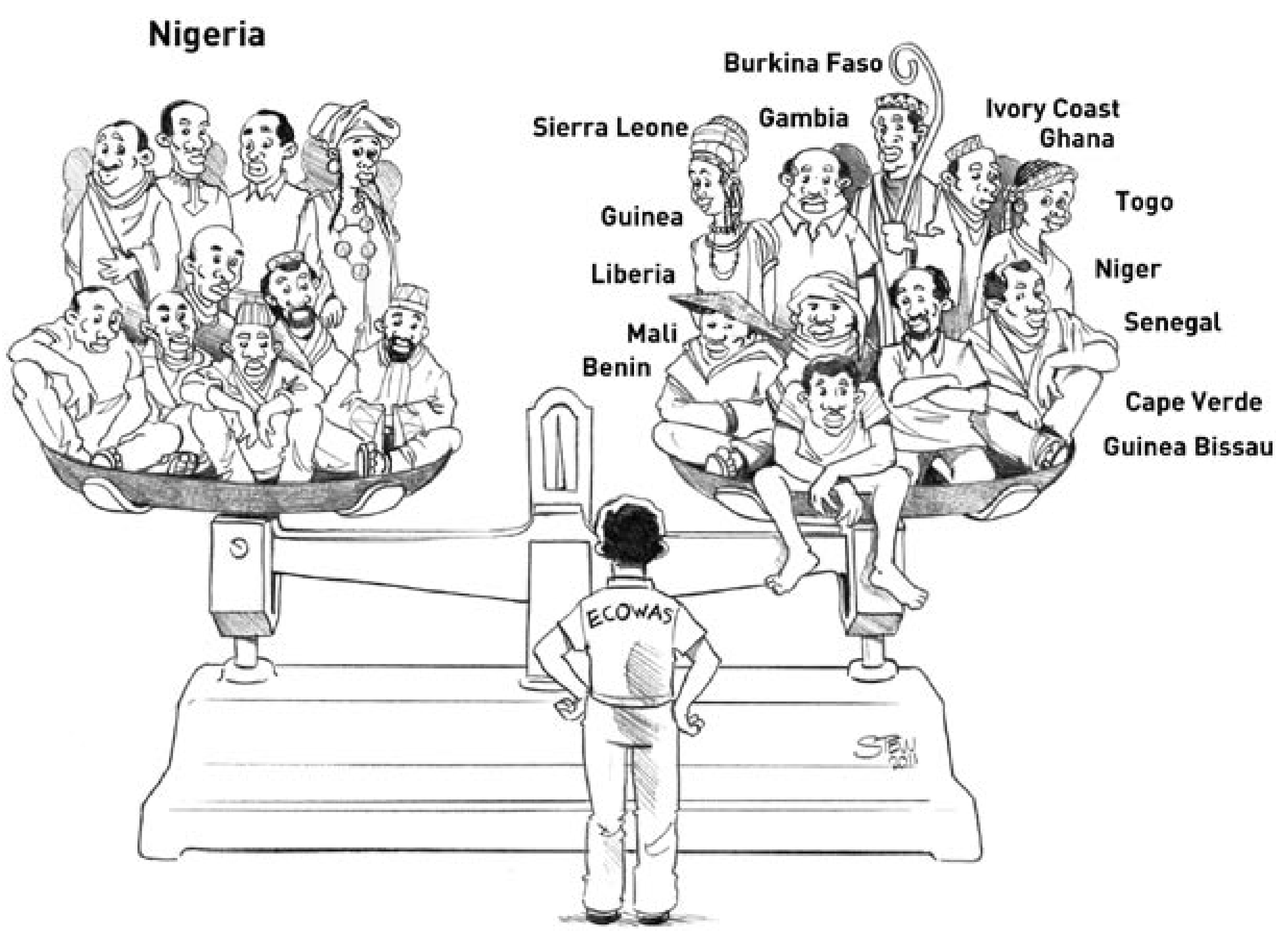
GRAIN DE SEL: *What is your analysis of the currencies now in use in West Africa?*

GILLES DUFRÉNOT: The "currency map" of West Africa comprises several different exchange regimes. There is a monetary union, made up of the eight countries of the franc zone, whose currency is tied to the euro; and a set of non-convertible national currencies whose exchange rates in relation to the dollar or the euro are fixed administratively to a greater or lesser degree. The fact that different exchange regimes coexist in a small area does not favour trade between countries due to the high transaction costs involved (for example, fees for currency conversion and the insurance costs incurred by importers and exporters to cover exchange risks). Furthermore, for currencies not pegged to an international currency, the problems linked to the credibility of their exchange policies and the uncertainties linked to volatile exchange rates discourage stable foreign capital and investment over the medium and long term.

GDS: *What are the arguments in favour of a single currency for the countries in the Economic Community of West African States (ECOWAS)? Are there difficulties and stumbling blocks to be overcome?*

GD: The idea of introducing a single currency within ECOWAS is based on several historical observations. First, monetary unions tend to foster regional trade as long as they attain a critical mass. Second, regional trade is what drives economic growth, rather than transactions in the context of North/South specialisation. The reason for this is that regional trade most often involves the exchange of similar products, avoiding the pitfall of national industries evicted by imports. Lastly, following on the trade Triad,[1] the global economy is likely to take shape around currency poles in coming years. It will be important for African countries to have their own poles, alongside

1. The Triad refers to the three trade zones, i.e. North America, Europe and Asia.



international currency poles (the dollar, the euro and the yen). The timetable for implementing a single currency in ECOWAS is outlined as follows. First, the countries that are not members of the franc zone will set up their own monetary zone called the West African Monetary Zone (WAMZ) in 2014, adopting a common currency, the West African Currency Unit. These countries are Gambia, Ghana, Guinea, Nigeria and Sierra Leone. Next, starting in 2020, the WAMZ and WAEMU will merge their two currency zones to create a single monetary zone throughout ECOWAS, adopting a new currency. Cape Verde and Liberia should also join this zone. The Cape Verde escudo is pegged to the euro, and the governor of the Central Bank of Liberia has officially requested that Liberia join the WAEMU.

There are not any barriers *per se* but, as we all know, the devil is in the details. First, a monetary union has better chances for survival when the member countries have similar economic structures, when their economic policies are coordinated, and when each country agrees to refrain from adopting policies that would be harmful to other members. An institutional framework that favours this must therefore be set up. The countries outside the franc zone have adopted economic policy convergence criteria. However, it is more difficult to attain the convergence of living standards within a union composed mostly of poor countries that do not have the equivalent of the "structural funds"[2] that Europe had. Second, it is not enough to have a single currency. The exchange regime is a fundamental issue, because decisions have to be made about what is best for the countries in their relationships with the rest of the world. The future single ECOWAS currency could be allowed to float against international currencies, or it could be pegged to them at a fixed exchange rate, or it could even fluctuate in relation to a bundle of selected currencies. Choosing an exchange regime is difficult because to do so one must take all aspects of economic and social "well-being" into account: debt levels, impact on trade, inflation, growth, etc.

GDS: *What specific role would Nigeria play in setting up this currency? Could the idea of a commodity-currency emerge?*

GD: Nigeria is the only ECOWAS country that has the capacity to support the single currency, given its economic and financial weight in the zone and its central bank's experience managing an independent currency. Another aspect is that, given agriculture's significance for the zone's economic growth, the choice of an exchange regime is not a trivial matter. For example, currency devaluation can improve the terms of trade for export markets, but at the same time raise production costs if most production inputs are imported. In the eyes of the Nigerians, the single currency should serve to protect the zone's agricultural and industrial potential; consequently, the exchange policy and trade policy will have to be linked when it comes to agriculture. The single currency should help limit the risk of Dutch disease,[3] the impact of international exchange rate variations, and the instability of agricultural income due to widely fluctuating domestic prices. Nigeria has extensive experience in these areas, and this should benefit the zone. In this context, the notion of a commodity-currency is making headway. Just as there once was a gold standard, the exchange rate for the future single currency could be set, not in relation to an international currency, but in relation to the prices for the main commodities exported by ECOWAS countries. For example, if the world cotton price falls the currency could be devalued automatically, and the zone's export revenue—in national currency—would not be affected (unlike what happens today). Obviously, the countries would have to agree on which agricultural products should to serve as the reference for the commodity standard.

Naturally, there are alternatives to adopting a commodity-currency. One can also imagine a currency whose the exchange rate would be set in relation to a bundle of currencies, or an international currency. These options have the advantage of enhancing the credibility of the future central bank (credibility is important to investors who lend capital, and to funding agencies, insofar as it eliminates exchange risk). The drawback, however, is that in terms of competitiveness the single currency would be entirely exposed to international currency fluctuations. ■

2. Readers should recall that structural funds are used to help future member countries' economies catch up before entering an economic zone so that their living standards converge with those of existing member countries.

3. Dutch disease is an economic phenomenon in which abundant resources linked to high export revenue drive out the sectors of activity in the economy that are not specialised in export commodities.

Staple Crop Production and Consumption: Nigeria on the Way to Food Self-Sufficiency

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NIGERIA IS ENDOWED with abundant natural resources and has substantial agricultural potential. While it ranks first among the leading agricultural producers in the region, it is also the largest importer of staple products in West Africa.

▸ This article is based on a number of documents:
– *Nigeria's Cereal Economy*, B. G. Soulé, D. Balami, R. Blein, SOS Faim, ROPPA, November 2010;
– *Framework for involvement in rainfed food crop supply chains development in West and Central Africa*, AFD, CIRAD, IFAD, July 2010;
– *Agricultural potential of West Africa*, R. Blein, B. Soulé, B. Faivre-Dupaigre, B. Yérima, Farm, 2008.

▸ Statistical data on Nigerian agriculture are scarce and sometimes contradictory. For the most part, this article draws on FAO data. As is often the case for data on West African countries, the statistics presented here are not always reliable and should be viewed with precaution.

DESPITE THE preponderance of hydrocarbons, the agricultural sector continues to play a decisive role in Nigeria's economic development. Agriculture accounts for about 36.5% of the creation of gross domestic product in the country and employs nearly 45% of the country's workforce. With a population of 150 million, Nigeria is without contest the leading agricultural power and the largest market in West Africa. While the production of staple foods has risen sharply over the last twenty-five years, production cannot yet cover the rising demand for staples, particularly grains. This article examines staple food production and consumption in Nigeria. It discusses cash crops and livestock operations only in passing.

Considerable Agricultural Production Potential

A Wide Range of Ecosystems. Nigeria is distinguished by the diversity of its ecosystems, an advantage for growing a broad range of crops. The precipitation gradient across the country ranges from 500 mm in the Sahel zone in the North to nearly 3,000 mm in the South. The forests in the subtropical climate of the South produce primarily root crops and tubers (cassava, yams, taro, sweet potato), plantain bananas, rice, legumes and maize. The semi-humid Sudan-climate middle belt is characterised by a wide range of crops, reflecting the variety of climate and agro-pedological profiles. The main crops in this "agri-ecological mosaic" are yams, cassava, maize, rice, sorghum, millet, beans and legumes. Mechanised farming is on the rise in this area. The dry zone in the North is mostly devoted to grains: rainfed sorghum and millet, irrigated and/or rainfed rice, legumes, onions and groundnuts.

Abundant Land and Water Available. Nigeria has abundant natural resources that are not yet fully exploited, notably arable land and surface and subsurface water resources.

The country has over 70 million hectares of farmable land, i.e. 30% of arable lands in ECOWAS, an estimated 40% of which is farmed. Nigeria is said to contain 25% of all uncultivated arable land in ECOWAS. Despite the high level of urban development, the highest concentrations of available land are found in the coastal and Sudan-climate zones.

Nigeria also has a relatively high irrigation potential (2,330,000 ha), amounting to 26% of potentially irrigable land in the region. Currently about one million hectares are irrigated. The lowlands, called *fadama*, are also a resource with strong potential for agricultural development. These lowlands are estimated at between 5 and 8 million hectares in Nigeria, or half the potential resource in ECOWAS.

A Predominance of Smallholder Farms. The great majority—80% to 90%—of farms in Nigeria are small family farms (on average 1.2 ha) with little mechanical equipment and that rely mainly on the available labour force. They exist alongside large, better-equipped[1] agro-industrial farming operations the average size of which is around fifty hectares (with some attaining over 1,000 hectares). Nigeria's middle belt is full of these large farms that belong to businessmen or high-level civil servants. Many of them came into being at the time of the green revolution and numerous government schemes in the 1980s and 1990s. More recently, in 2006, large land concessions were granted in the states of Kwara and Nassawara to agricultural colonialists from Zimbabwe.

1. Nigeria alone has 70% of the tractors in ECOWAS countries (30,000 tractors in 2009).

Significant Staple Crop Production.

Nigeria is by far the largest agricultural producer of staple crops in ECOWAS. Production there is thought to have grown by 30% to 40% between 2000 and 2009.[2] The most important crops for Nigeria are root crops and tubers on the one hand, and grains on the other.

Root Crops and Tubers. Root crops and tubers dominate agricultural production, accounting for eighty-nine million tonnes in 2008, i.e. 69% of the regional supply. These crops amount to more than two-thirds of staples grown in Nigeria. Production is estimated to have tripled in the last twenty years, first because of an increase in the amount of land devoted to these crops, and secondly thanks to improved yields. Nigeria's is the world's leading producer of cassava, yams and taro root, and the second largest producer of sweet potatoes. Domestic cassava production has increased greatly since the late 1990s, rising 44% in seven years to attain 44 million tonnes in 2008. This increase is primarily due to the extension of farmed land, as cassava yields have stagnated at a low level (12 t/h). Yam production stood at around 35 million tonnes in 2008.

Grains. Nigeria alone grows about 50%[3] of the grain crops produced in West Africa. Production has doubled over the past twenty years. As is the case in nearly all West African countries, the rise in grain production is due more to the extension of cultivated land than to any significant improvement in yields.

Millet and sorghum (56% of total grain production by volume) yields ➲

2. Production of staple foodstuffs in West Africa rose from 59 million tonnes in 1980 to 160 million tonnes in 2000 and to 212 million tonnes in 2006.
3. 69% of the West African millet crop, 53% of maize, and 48% of rice.

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have either stagnated (sorghum) or progressed at a very slow pace, putting the average yield for these two crops at 1-1.5 t/ha over the 2000-2006 period. Production increased by a factor of 3.8 (millet) and 3.4 (sorghum) between 1980 and 2008, and now stands at approximately 9 million tonnes for each of these two crops.

Rice and maize stand out, attaining yields of close to 2 t/ha. However, while maize yields have risen from about 1 t/ha in the early 1990s to about 2 t/ha in 2006, rice yields have stagnated at around 2 t/ha since 1990. Maize has performed well in Nigeria, and its production volume has risen from around 1 million tonnes in 1980 to over 7.5 million tonnes in 2008. The volume of rice produced increased by a factor of 3.4 between 1980 and 2008, reaching 4.2 million tonnes of rice in 2010.[4]

Wheat production remains low, at roughly 60,000 tonnes per year in recent times, despite large investments by the federal government to promote this crop and lower wheat and flour imports.

Legumes and Oilseed Plants. Nigeria is the world's largest producer of cowpeas (niebe), with about 3 million tonnes grown in 2008 (58% of regional production). The country also produces 3.9 million tonnes of groundnuts, or 57% of all groundnuts grown in West Africa.

Production Still Insufficient to Meet Demand. While the overall trends of agricultural production in Nigeria can be ascertained, very little is known about the structure of the demand for staple crops. This demand is strongly influenced by a number of factors, and divided between domestic needs and demand from neighbouring countries (in particular for grains). This relative lack of knowledge about import and export flows with neighbouring countries makes is difficult to establish an overall food assessment.

A Diet of Two Basic Foods. Nigeria's food regime is based essentially on two foods: grains, which provide 46% of calories and 52% of proteins consumed, and root crops/tubers, which provide 20% of calories and 8% of proteins consumed. Consumption of grains and root crops/tubers amounts to 150 kg and 214 kg respectively per person and per year (in 2007).

Rapid Development of Urban Markets. Domestic demand for staple crops is rising, as a result of growing population, urbanisation (Nigeria is one of the most heavily urbanised countries in the region), improved living conditions, the needs of a rapidly expanding processed food and beverage industry (notably breweries) and livestock raising (poultry).

While self-consumption of crops in rural areas still predominates (especially for millet and sorghum), the rapidly developing urban markets are becoming a major outlet for local production. Towns and cities now absorb more than 50% of cassava and yam production, close to 30% of millet and sorghum crops, half of the maize crop, and 72% of domestically grown rice.

Root crops and tubers are almost entirely destined for domestic (mainly human) consumption, with small quantities of gari and yams exported to other countries in the sub-region (in particular Sierra Leone).

Demand for grains is dominated by human consumption, followed by the food processing industry and bio-fuel production. The remainder goes to neighbouring countries. Proportions vary according to economic circumstances. Millet and sorghum crops largely exceed domestic demand, providing exports.[5] The situation is less clear-cut for maize, depending to a great extent on the level of domestic demand which has been rising steadily, driven by the food processing industry and demand for poultry feed (1.3 million tonnes in 2009). Urban growth has steadily pushed up annual rice consumption, which has risen from 8 kg per person in 1960, to 15 kg in 1980, and then to more than 20 kg per person in 2007.

Imports Needed, Particularly Rice and Wheat. Although local products provide most of the food for cities in Nigeria, the country has a structural deficit for two grains, rice and wheat. Domestic rice demand has been about 5 million tonnes a year since 2008, and Nigeria imports more than one million tonnes annually, making it one of the largest rice importers in the world. It also imports more than two million tonnes of wheat (flour) every year.

Nigeria therefore continues to be a very substantial net importer of grains. Between 2000 and 2008, these annual grain imports represented an average annual cost of $939 million. Nigeria alone accounted for between 30% and 40% of all grain imports in the region. Its dependence on imports

4. See article page 19.

5. See article page 25.

is relative, however, in that Nigeria is home to over half the population of West Africa and only about 10% of Nigeria's grain needs seem to be met by imports. Nonetheless, Nigeria has a large agrifood trade balance deficit, which attained nearly $1.5 billion in 2002-2004.

In conclusion, Nigeria is the most powerful agricultural economy in the region, and exports to neighbouring countries (millet, sorghum, gari and yams).[6] But it is also the ECOWAS country that imports the most (in particular grains) to satisfy urban consumption needs, accounting for 36% of ECOWAS' agrifood imports. How will this situation evolve as the population, urbanisation and standard of living in cities continue to rise? What are the foreseeable impacts on Nigerian imports and on the production surplus that can be exported to neighbouring countries?

Given Nigeria's weight in the regional agricultural and food economy, it goes without saying that this country holds the key to "regional food sovereignty", an objective pursued by ECOWAS and networks of farmers' organizations. Nigeria has the potential to reduce its food dependence and that of the region, but proactive and sufficiently stable internal policies will be needed to make the most of this potential. To achieve this goal, Nigeria must also play a more active role in harmonising and implementing agricultural, trade and fiscal policies at the regional level. ■

6. Nigerian grain exports to neighbouring countries vary greatly from one year to the next. For more information, see the article on page 23.

Dawanau Market in Kano

Located in the city of Kano, Dawanau market is the largest grain market in West Africa. Created in 1985, the market houses over 10,000 stores and 662 warehouses (averaging 6,000 cubic metres each).

It occupies an area approximately 3 km long and 400 m wide, and is divided into 5 zones: cowpeas (niebe) and sesame crops in zone A; groundnut, wheat and cassava in zone B; yams in zone C; and maize, millet and sorghum in zone D. Zone E is used by transporters.

The market has a roster of twenty-seven groups, some specialised by crop or product, others not. Vendors must belong to one of these groups to operate in the market. In 1996, these groups created an umbrella organization, the Dawanau Market Development Association.

All the ethnic groups in Nigeria are represented, as well as merchants from the sub-region (mainly from Niger, Chad, Cameroon, Benin, Togo, Ghana and Mali).

The market is a purely private enterprise, open every day from 6:00 a.m. to midnight in the off season and around the clock in the high season. Sales are mostly of crops grown in northern Nigeria: cowpea, maize, sorghum, millet and rice. Thousands of people work in and around the market: there are over 4,000 warehouse staff, 500 security guards, immigration agents, police officers, etc.

Credit can be readily obtained at the marketplace itself (in an informal manner). Prices fluctuate very rapidly and merchants make heavy use of their networks (transporters, food processors, etc.) to stay abreast of prices, quantities, etc. via mobile phone.

Poultry Farming on the Rise in Nigeria

Poultry farming is the leading form of meat production in Nigeria: amounting to 350,000 tonnes per year, it accounts for 36% of total livestock production and covers 19% of domestic meat needs.

To boost consumption of animal protein in the country's growing population, Nigeria is counting on higher productivity for short-cycle livestock operations, in particular poultry. The domestic production shortfall in relation to potential demand for poultry is estimated at 25,000 tonnes per year. This rising demand is driven by the growing middle class, consumption outside of the home (restaurants) and the development of fast-food restaurants in big cities.

In July 2002, the federal government banned imports of poultry products with the aim of accelerating the growth of domestic production. Despite this ban, illicitly imported frozen chickens are found on the market. The volume of these illegal imports has dropped, however, due to regular inspection operations and confiscation by the authorities.

While there are some semi-industrial poultry operations, rural family farms are still predominant in this activity, in which women have an important place.

The place of poultry products in the household food basket and the amounts consumed vary considerably depending on the social context. In rural areas, poultry is eaten only occasionally; in urban areas, consumption is much higher. On average, Nigerians consume 1.6 kg of poultry per person and per year.

Egg production has reached a level that allows the country to export eggs to surrounding countries such as Benin, Niger and Chad. Domestic consumption of eggs has risen sharply, and the average in Nigeria of 3.2 kg per person per year is much higher than the regional average (2.2 kg per person per year).

The avian flu epidemic that affected Nigeria between 2006 and 2008 had a strong impact on poultry operations. The disease seems to have died out however, as no foyer of flu infection has been reported since September 2008.

Source: *Impacts socio-économiques de la grippe aviaire en Afrique de l'Ouest : " Étude de cas au Nigeria "*, CILSS, FEWS NET, ECOWAS, Federal Republic of Nigeria, October 2006.

Demand for Farm Animal Products in Nigeria: An Opportunity for Sahel Countries?

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Nigeria is a major hub of animal product consumption in West Africa. It is also one of the largest livestock-raising countries in the region. Meeting the ever-increasing domestic demand and access to these flourishing markets are major economic stakes for Nigeria and for the neighbouring Sahel countries that raise livestock.

▸ The Institut de Recherches et d'Applications des Methods de Développement (IRAM) conducts research on pastoral practices and livestock value chains. This article is based on the information contained in the publication *Étude régionale sur les contextes de la commercialisation du bétail, l'accès aux marchés et les défis d'amélioration des conditions de vie des communautés pastorales*, IRAM/LARES for SNV (B. Guibert, M. Banzhaf, B. G. Soulé, D. H. Balami, G. Idé, 2009) and on the experience acquired during the current work to organise the bovine production chain in Chad (PAFIB, Ministry of Livestock and Animal Resources, funded by the European Union). www.iram-fr.org

By its population and capacity for animal production, with 25% of livestock herds in the sub-region, Nigeria is by far the leading livestock producer in Central and West Africa. The country's cattle herds are estimated at over 16 million head, far ahead of Niger (8.7 million), Mali (8.2 million) and Chad (7 million). The share of Sahel countries is significant, however, representing over 50% of total cattle herds. Cattle raising in Nigeria is largely supplemented by short-cycle livestock operations, estimated at 33.8 million head of sheep and 175 million poultry birds.

Between 85% and 90% of domestic cattle herds are tended by 8 million migratory shepherds and farmer-herders, the majority of whom are of Peul ethnicity although other groups are also herders (Shuwa Arabs, Koyam, Kanuri, Kanembou, Touareg, etc.). It is very difficult to assess import flows of live animals from Niger, Chad or Mali, as many animals are "naturalized" when they cross the border, some of which are fattened and finished on their way to the final market outlets. A large part of the livestock sold on these markets come from the Sahel countries. Cross-border movement of herds during seasonal migration also involves a significant number of animals.

Demand for beef is largely driven by the Federation of Nigeria, as Nigerians make up 50% of beef consumers in ECOWAS. Nigeria is experiencing a historic demographic expansion and a spectacular change in food habits. With a population growth nearing 2.8% per year, the country's own domestic production is far from being able to meet demand. Nigeria is therefore forced to import more than 25% of the beef consumed, and is therefore a major outlet for Sahel livestock, via direct sales or the moving of herds for commercial purposes.

At the federal level, livestock operations contribute only about 5% of GDP, whereas agriculture as a whole contributes 35% of GDP.

Nigerian Livestock Operations Face Significant Obstacles to Development. Livestock raising is an important area of activity in Nigeria, but it is subject to some major constraints. Available pasture land is receding quite significantly as cities and farming expand. Access to animal husbandry inputs seems insufficient and technical support for animal health inadequate. Cattle are raised essentially in the Sudan-Sahel region of the northern states, where agro-pastoral activities generally involve seasonal and cross-border migration so as to take advantage of Sahel pastures in the rainy season.

Rising Meat Consumption and Changing Food Habits. The strong rise in demand for animal products is due not only to the high rate of urbanisation (60% of Nigerians are city dwellers), but above all to consumers' greater purchasing power and the emergence of a new middle class. Furthermore, this trade giant accounts for nearly 60% of international trade in the region.

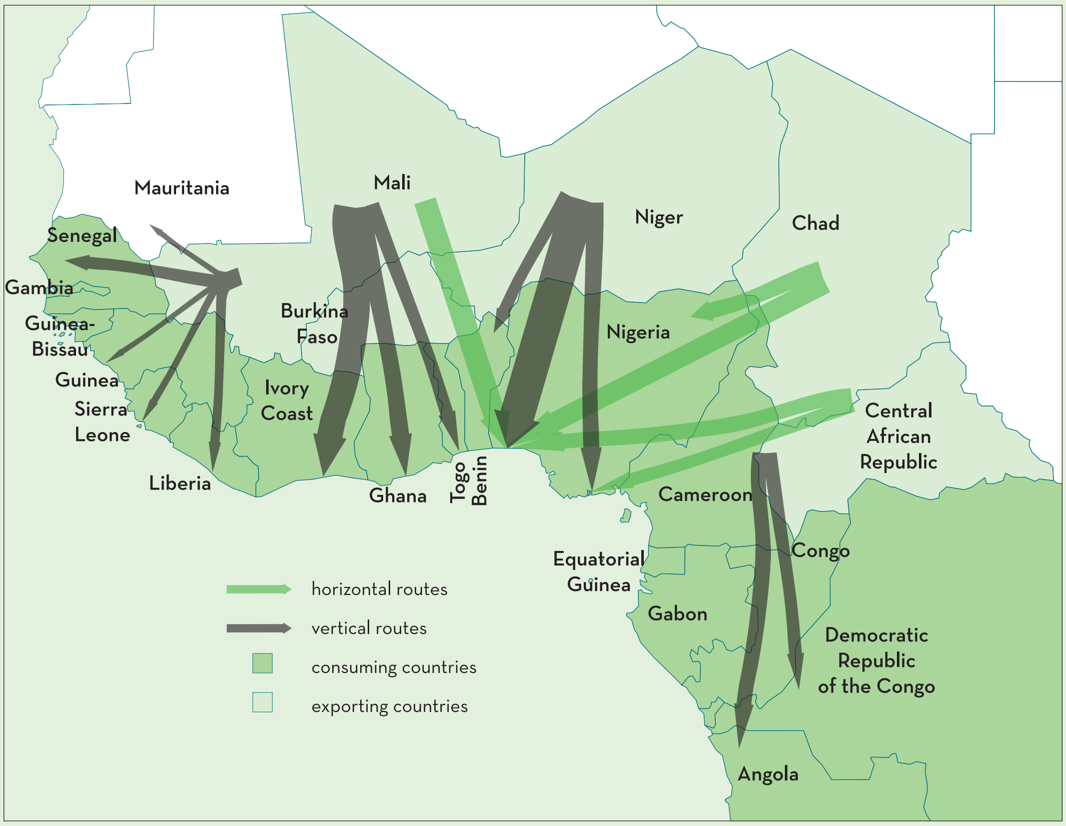
At the same time, more and more consumers want healthier meat from regulated slaughterhouses. Some industrial meat companies are now segmenting the market, selling frozen meat packaged in individual portions. Fast-food restaurants suited to this new type of consumer are also developing rapidly. Some instances of value chain integration are also being seen as the sector evolves, with a few companies processing meat in their own slaughterhouses supplied by their own networks of producers. Although this last segment is growing, it still accounts for less than 10% of the overall meat product market.

Despite these emerging dynamics, many people still do not have access to Sahel beef, which is deemed to be too expensive by less-well-off segments of the population. Thus, in relation to the total population, meat consumption in Nigeria is still below the regional average (2 kg per person and per year in Nigeria, compared to 8 kg per person per year in ECOWAS).

Jobs and Know-How Deployed Throughout the Value Chain. Many specific professions, with real know-how, are mobilised throughout the value chain, usually informally: stock breeders, buyers, market intermediaries, drovers, cross-border handlers, truck hauliers, herders who fatten animals for market in the vicinity of final markets (e.g. Lagos), butchers, retailers, rotisseurs. In Lagos, activities specialised in recovering organs, bones and hides have gradually become concentrated in many neighbourhoods that are close to slaughterhouses.

Significant Flows of Herds Move to Market via Routes Covering over 1,000 km. Herds from the pastoral zones of Chad, Niger and Mali follow long routes to market, for the most part driven on hoof (see map). The selection of the animals and the drovers' skill reduce the risks of these transfers, which are profitable for merchants despite the distance. Two main circuits feed into the end markets in Nigeria. The East network brings cattle from Chad and Cameroon to the international market in Maiduguri. At this trading hub, 55% of the livestock is thought to come from Chad, and 20% from Niger (the route through eastern Cameroon and Centrafique is deemed to be dangerous and is relatively little used; it is therefore very hard to assess figures for this route). The West network collects livestock from Mali, Niger, Burkina Faso and Benin and brings them to the international market in Kano.

A great many legal taxes and illicit charges are levied on these routes, with the latter constituting a significant loss of income for the actors in the livestock



Principal Livestock Trade Routes in Central and West Africa

These routes run in a north-to-south direction from the Sahel to coastal markets. Many converge massively towards Nigeria, at the heart of this continental sub-region (source: IRAM, 2009).

chain and for States. On some of the routes from Chad, the sums skimmed off may amount to as much as 63% of the total costs for an animal brought from central Chad and slaughtered in Lagos.

Operators' economic survival is in part determined by their ability to anticipate the exchange rate for the Nigerian currency (naira) and to ensure they can bring the money back home once they have sold their animals. Given the variable CFA franc–naira exchange rate and the rising demand, the price of livestock often appears highly volatile. In constant values, the price of livestock is said to have risen by an estimated 78% between 1997 and 2002.

A Stock Farming Development Policy Based on Intensification and Imports. To meet the growing need for animal protein, the livestock development policy pursued by the federal government in this decade combines several strategic priorities. The policy aims to substantially increase domestic meat production in all categories by intensifying livestock breeding operations and promoting monogastric species. Another aim is to make it easier to import animals from the Sahel, primarily cattle, sheep and goats. The government also wants to develop imports of frozen meat and fish from the European Union and Brazil for low-income consumers. Increasing production of other forms of animal protein is also a target, and Nigeria is already the leading egg producer in the region, with 68% of total tonnage (see box page 13).

The Development of Nigerian Animal Farming: A Fundamental Stake for the Federation, its Breeders' Organizations, and the Neighbouring Livestock-Raising Countries in the Sahel. Making more meat products available rapidly, steps to bolster the competitiveness of livestock operations, encouragement of private investment in this sector—Nigerian livestock policy measures are strongly focused on intensive livestock operations and on imports from countries that have developed a livestock industry. Both of these policy options rely on the consumption of large amounts of grains, the availability and cost of which vary considerably with the fluctuations in production in the Sahel and around the world.

One can also wonder whether this livestock giant's policies have sufficiently addressed the issues of agro-pastoral production and improving the coexistence between livestock breeders and farmers (several sometimes very bloody conflicts broke out in 2009 and 2010 in the states of Bauchi, Nasarawa, Benue, Plateau and Ebonyi). Directly related to population growth, herd movements in Nigeria and access to fodder and watering spots are serious problems. The issue is therefore, more acutely than in other Sahel countries, one of making nomadic herding less risky.

Livestock raising in the Sahel region plays a major role in Nigeria. The complementary relationship between livestock raising in the North and in the South should be strengthened, without selling short meat from the Sahel. Prices should better account for the range of risk factors, the number of intermediaries and the fluctuation of currency exchange rates. As the population of cities and towns in the Sahel grows, this meat will certainly become more expensive, and therefore more "selective" in relation to consumers' purchasing power.

In the current decade, the Sahel countries may not be able to meet the Nigerian beef demand in entirety, but can nonetheless play an important role benefiting their respective economies. Sahel beef production must do more to satisfy quality requirements. The cattle driven to market from the Sahel are often rather lean, which means that they must be fattened up at intermediate sites located on both sides of the border. To more systematically and more rapidly fatten cattle for market, the restrictions on access to feed must be overcome. This means that livestock breeders' organizations must acquire more political power in negotiations with industrialists (who produce bran, presscake, etc.). This also means that techniques must be found to improve the processing of agricultural by-products. These are some of the challenges facing breeders' organizations as they seek to improve their members' livelihoods and support the cattle-raising sector. ■

Nigeria's Agricultural Policy: Seeking Coherence Within Strategic Frameworks

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While Nigeria has many singular features, the country is no exception when it comes to agricultural policy in the region, caught between enormous potential, immense ambitions, and still-insufficient concrete results.

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▸ This article draws upon documentary resources available on the Inter-Réseaux website: http://www.inter-reseaux.org/ressources-thematiques/ressources-par-pays/article/politiques-agricoles

Nigeria is the most populous country in Africa, with an urban population growing at an exponential rate. The government's objective of achieving food self-sufficiency is a major challenge. In this country that is experiencing relatively rapid economic growth, this goal is not unrealistic but will require a great deal of effort.

Recent Trends: From Interventionism to Liberalisation. Agricultural policy in Nigeria has evolved considerably since the country's independence. The 1960s were characterised by strong public intervention in agriculture, with development guidelines and plans established at the federal level[1] and implemented in the states. The government's priority at the time was to boost domestic production, particularly of cash crops. This strongly interventionist period pushed Nigeria to the position of the world's top producer of rubber, groundnuts and palm oil, and the world's second-largest cocoa producer.

The 1970-1986 period, which coincided with intensive petroleum exploitation, was marked by policies' lack of interest in supporting agriculture. The strong decline in domestic agricultural production reduced the country to growing dependency on imported foodstuffs. In the wake of the major food crisis in the country in 1976, programmes such as "Feed the Nation" (1976-1979) and "Green Revolution" (1979-1983) were set up. These programmes focused on strengthening agricultural production, providing subsidised inputs, community development, and access to credit. However, they were implemented without a transparent framework to structure action, and the successive governments at the head of the country did not ensure continuity. The enactment of the Land Use Act in 1978 marked an historic turning point for land use management in Nigeria.

The movement was reversed in 1987 with the structural adjustment programmes (SAPs) that sought to reduce the national economy's dependency on oil and promote the private sector as the engine driving growth.

In 1998, the Nigerian government once again turned its attention to the agricultural sector. It adopted an agricultural policy that had the objective, among others, of ensuring food security for the population by developing local production.

Agriculture at the Heart of Nigeria's Current Strategic Frameworks. Since the reference document "Agriculture in Nigeria: The New Policy Thrust" was issued in 2001, the government has assigned the agricultural sector an ambitious role in its strategic planning frameworks. The strategic document for reducing poverty in Nigeria, "National Economic Empowerment and Development Strategy" (NEEDS II 2008-2011) emphasising economic development driven by the private sector, and the "7-point Agenda", the framework guiding economic reform in the country that was adopted in May 2007, are the medium-term policy documents intended to help the country achieve the Millennium Development Goals for 2015 and its own "2020 Vision" plan. The latter aims to make Nigeria one of the top twenty economies in the world by 2020. For agriculture, this means increasing current domestic production sixfold.

The National Food Security Programme (NFSP) issued in August 2008 by the federal Ministry of Agriculture and Water Resources is designed to attain food security by ensuring that all Nigerians have access to good-quality food while making Nigeria a major exporter of foodstuffs. The programme designates priority crops (cassava, rice, millet, wheat) for achieving food security and outlines objectives for all stages of these supply chains. The aim is to create more value in production, particularly downstream in the chain, by improving storage, processing, and access to agricultural markets. The programme also plans the creation of irrigation schemes (450,000 ha).

The strategic frameworks in NEEDS II and the 7-point Agenda have been translated into short-to-medium-term programmes. The federal Ministry of Agriculture and Water Resources has drawn up a "5-point Agenda" for agriculture, a detailed roadmap of steps to be implemented to attain the objectives listed for agriculture in the 7-point Agenda.

Olusegun Obasano's government also launched Presidential Initiatives in 1999 for seven agricultural products (cassava, rice, vegetable oil, sugar, livestock, cultivated trees and dry grains). The aim of these initiatives is not only to boost Nigeria's agricultural exports by taking advantage of preferential agreements in the framework of the World Trade Organization (WTO) and the Economic Partnership Agreements between the European Union and the Africa-Caribbean-Pacific countries but also to make the most of the potential regional market made up of neighbouring countries. Although these measures have shown that investment in the agricultural sector can have concrete results in terms of increasing domestic production, their overall outcomes have been mixed in that only the "intensification of production" segment has been taken into account, ignoring the downstream segments of the value chain (such as product processing).

Support for agricultural inputs has been a central element of Nigerian agricultural policy since the 1950s. This support consists primarily of attributing public subsidies so that farmers can more easily acquire inputs (fertiliser,

1. Four National Development Plans (NDPs) were deployed successively in 1962-1968, 1970-1974, 1975-1980 and 1981-1985.

improved seeds, phytosanitary products). The level of federal subsidies has followed a spiky path,[2] with highs and lows, and methods of implementation have been highly variable. In addition to federal subsidies, each state allocates its own subsidies for fertiliser. These vary greatly from one state to another in both amounts (50 to 150 kg per farmer) and subsidisation rates (from 10% to 50%). Even so, many farmers still find it difficult to obtain good-quality inputs at an affordable price and at the time they are needed. The government has not yet managed to set up an effective regulation and monitoring system to address quality issues and the diversion of subsidised inputs to outside the country. Some states have been testing the distribution of input subsidy vouchers since 2008.[3]

ECOWAP and Regional Integration: Where Does Nigeria Stand? The pan-African action framework for agricultural development policy and strategy is provided by the Comprehensive African Agriculture Development Programme (CAADP)[4] adopted in 2002. This programme aims to attain average annual growth of agricultural productivity of at least 6%, and sets a target for public investment in agriculture equal to at least 10% of national budgets. ECOWAS adopted a regional agricultural policy for West Africa in January 2005 (ECOWAP) and established a regional action plan for 2006-2010. The plan calls for drawing up National Agricultural Investment Programmes (NAIPs) in each country, to be adopted by all stakeholders in the agricultural sector via the signature of a pact, and a Regional Agriculture Investment Programme (RAIP).

In Nigeria, the ECOWAP/CAADP "pact" was signed in late 2009, and the elaboration of the NAIP led to a Medium-Term Sector Strategy (MTSS) for Nigeria for the 2010-2012 period covering investments funded by the federal government and partnership programmes initiated by international funding agencies. The agriculture policy measures in the "5-point Agenda" comply with the major orientations outlined in the CAADP.

Policies Still Lacking in Coherence. Nigeria's agricultural policy has its limitations: a general lack of coherence, issues of programme continuity, issues in relation to other sectoral policies, and implementation issues at various institutional levels. ➲

2. The federal subsidy level for inputs stood at 75%-85% in the late 1970s, dropped to 30%-40% in the mid-1980s (under pressure from the World Bank), rose to 70%-80% during the 1986-1998 period (to counter steep devaluation of the national currency), and fell back to around 25% during the 1999-2009 period.

3. See article page 27.

4. The CAADP is the agriculture segment of the New Partnership for Africa's Development (NEPAD), a comprehensive development policy adopted by African countries to close the gap between Africa and the rest of the world.

Public Agriculture Financing in Nigeria: Key Figures

Public Investment in Agriculture Is Fairly Low...

In 2008, Nigeria devoted 4.6% of its federal budget to agriculture. This amount is far below the 10% objective set in the Maputo commitments signed in 2003.

... But Capital Expenditure Is Far Higher than Operating Budgets

In the last ten years, funding allotted for capital expenditure has been on average six times greater than the budgets allotted for operating expenses, at both the federal and state levels.

Breakdown of the Funding Provided by the Federal, State and Local Governments, and Funding Agencies

Funding agencies provide only 7% of total expenditures in the agricultural sector. Most of their financing focuses on producer support services (infrastructures, processing, financing).

The remainder of expenditures in the agricultural sector comes from the federal government (57%) and the state governments (43%). Therefore, raising federal funding will not be enough to improve agriculture financing in the country. Local governments also fund agriculture but, in the absence of statistical data, their contribution cannot be assessed. Problems persist in coordination of funding efforts between the federal level, the thirty-six states and 774 local governments.

The proportion of the budget allocated to agriculture increases with the degree of decentralisation: the states devote more of their budgets to agriculture than the federal government does.

Expenditure in the Agricultural Sector Is Highly Concentrated

Out of 179 line items for agriculture in the federal budget, three items account for 81% of funding. These items are: (i) fertiliser supply and distribution markets (43%); (ii) the food security segment of the National Food Security Programme (NFSP) (22%); and (iii) purchases of grain for national stockpiles (16%).

Budgets are often poorly evaluated at the outset. It is very surprising to note that identical budgets are allocated for each value chain under the Presidential Initiative.

Available capital funds are not always fully disbursed. For the 2000-2008 period, the average disbursement rate for capital expenditure in agriculture was only 62% (and only 24% in 2007).

Nigeria's agricultural policies were for a long time opportunistic and not coordinated among each other. Critics regret the absence of continuity in policy, and the fact that the successes, failures and lessons learned in preceding programmes have not been analysed. Strategies have not always been transposed into action in the field. The absence of indicators makes it hard to track and evaluate policy implementation. In terms of cross-sector policy coherence, little has been done to link agricultural policy with rural development policy, support for small and medium-sized enterprises, and management of water and natural resources. Finally, at the institutional level, roles are not clearly divided between the various administrative offices responsible for agricultural development. The sharing of responsibilities between the federal, state and local governments does not appear to be optimal, either in terms of areas of intervention or resources allocated. Generally speaking, while agricultural programmes managed by the states seem to be more effective than federal programmes, many observers deplore that agricultural policy is elaborated from the top down, with little participation by stakeholders. ■

Development Driven by Local Communities: A Sustainable Instrument to Alleviate Poverty in Nigeria

Since 1985, IFAD has innovated with Community-Driven Development (CDD) programmes in Nigeria. A pilot CDD programme was first set up by IFAD in the 1980s in the states of Sokotao and Katsina. The success of this programme gave rise to an agricultural and rural development programme in 2003, followed by a natural resources management programme in 2005, both community-driven and supported by IFAD. The same approach was used in the "roots and tubers" development programme that lifted Nigeria to the position of top-ranking producer of cassava worldwide.

The CDD approach breaks with the conventional "top-down" approach that has never had a sustainable impact on beneficiaries' living conditions. Instead, it develops a more democratic and inclusive "bottom-up" approach. CDD gives control over decisions and resources to the true agents of change in rural communities, i.e. traditional organizations, peer groups, women's groups, producers' unions organised by crop, etc. This approach allows stakeholders to freely decide what action to take, and take responsibility for initiatives that affect their lives. CDD has taught communities how to set infrastructure priorities (drinking water supply, healthcare centres, roads and schools) and how to achieve these goals in a cost-effective, transparent and sustainable way. According to the beneficiaries, these programmes have helped them find jobs, pay their children's school fees, and feel that they are useful to their community by contributing to its development. State and local governments and the communities and villages that have benefited from this approach would like to see this initiative extended to other regions.

By Abdoul Wahab Barry, International Fund for Agricultural Development (IFAD). The full version of this article is available online

Historic Opportunities for Rice Growers in Nigeria

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The rice value chain in Nigeria is in a period of growth, thanks in particular to strong support policies. Work remains to be done, however, to give growers access to improved seeds and improve quality, so that locally grown rice can fully meet the needs of urban consumers.

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▸ The Nigerian office of the Africa Rice Centre (http://www.warda.org/) is based at the International Institute of Tropical Agriculture (IITA) in Ibadan. The centre's objectives are to develop improved varieties of rice and new production techniques suited to the various ecosystems in the country. Research focuses on the selection of high-yield, stress-resistant rice varieties.

Local rice cultivation provides livelihoods for many producers, processors and vendors in Nigeria. However, it does not satisfy the totality of consumer demand in the country. Nigeria imports on average 1.7 million tonnes of white rice annually, making the country as the world's second-largest rice importer. The cost of these rice imports represents a significant amount of lost earnings for the country in terms of jobs and income.

Proactive Rice-Growing Policies. Given the crucial role of rice in the food security of urban and rural households alike, development of rice growing has long been considered a priority in Nigeria. The country has adopted a range of instruments designed to protect local production. The Nigerian National Rice Development Strategy (NRDS) set up in 2009 aims to make the country self-sufficient in rice by raising production of paddy rice from 3.4 million tonnes in 2007 to 12.8 million tonnes in 2018. The NRDS outlines three priority areas of focus to achieve this level of production: (i) improving post-harvest processing and treatment; (ii) developing irrigation and extending cultivated lands; and (iii) making seed, fertiliser and farming equipment more readily available.

Policy statements declaring the goal of self-sufficiency in rice for Nigeria are not new. The Presidential Initiative on rice implemented from 2001 to 2007 was centred on developing rice production, processing and exports, and aimed to achieve self-sufficiency and increase exports by 2007. While this initiative repositioned rice growing at the centre of the country's development concerns, and spurred a 4.5% increase in paddy production between 2001 and 2007, it did not achieve its main objective. Framed with a long-term outlook, the NRDS includes several key measures, e.g. subsidies for inputs (50% for seed and 25% for fertiliser) and reduced custom tariffs on imports of agricultural machinery such as tractors, and on processing equipment. If suitable mechanisms are put into place to ensure that subsidies are directed first and foremost to the poorest farmers and to the right actors, one can reasonably expect the national strategy to stimulate domestic rice production.

The domestic rice chain is currently dominated by trade on traditional markets. New types of institutional arrangements are emerging, however, and involve the private sector to some extent, including multinational corporations. Various forms of contractual arrangements between farmers and processors are now being tested to ensure production of high-quality paddy and white rice. Measures to stimulate investment, such as concessional loans for investment in processing, are increasingly attracting foreign capital. The emergence of new stakeholders is also guiding political decisions affecting the rice sector in Nigeria. In 2010, rice importers, processing centres and vendors in Nigeria spearheaded an effective campaign to address politicians, obtaining a ban on re-exports of rice imported to Nigeria from Benin.

Underexploited Production Capacity. Paddy rice is, for the most part, grown by small farmers in Nigeria; over 30% of rice growers cultivate less than 1 ha, and close to 60% less than 5 ha. Although the paddy harvest rose from under 1 million tonnes in the 1970s to 4.2 million tonnes in 2010, production has not kept pace with demand. There is considerable potential for extending and intensifying rice production in the five rice-growing ecosystems found in Nigeria (plateau, rainfed plains, irrigated plains, lowlands and mangrove). The land area that could be cultivated is roughly 79 million hectares. Less than 10% of the 3.4 million hectares that could be irrigated are currently irrigated. Rice yields in irrigated areas are between 3 and 3.5 t/ha, much lower than the potential yields estimated at between 7 and 9 t/ha. This production gap could be bridged by introducing improved varieties, with better use of water resources and integrated management of rice growing.

The high cost of seed is one of the main factors behind the low level of seed renewal by farmers. Some fifty-seven varieties of rice have been made available to growers, mainly through joint selection mechanisms. These improved varieties have not been widely disseminated, however, and most rice growers continue to use primarily seed rice produced and stocked on their farms. The formal seed delivery system is regulated by the National Agricultural Seed Council (NASC). Pre-base seed is produced by research institutes, e.g. the National Cereals Research Institute (NCRI) and the Africa Rice Centre. Basic seed rice is then produced by NASC and certified seed by commercial seed producers.

Quality at Stake. The top priority of Nigeria's NRDS is to improve post-harvest conservation and processing of rice. Farmers' traditional practices for harvesting, threshing, drying and storing rice generally diminish the quality and homogeneity of paddy delivered to rice processing companies. Good-quality paddy is often mixed with damaged paddy rice that contains impurities. To improve post-harvest operations, better technology will have to be introduced, and the different actors in the chain will need to be informed and trained. Quality will also have to be emphasised through a system of standards.

New parboiling and hulling techniques should also be adopted to better clean rice and enhance homogeneity compared to imported rice. Today, parboiling is done mainly using cottage-industry techniques. Mechanised parboiling techniques do exist, but are not widely disseminated. Small and me- ➲

dium-sized business are predominant in rice processing. To achieve improvement in this subsector, the Nigerian government has decided to allocate 10 billion nairas (over €50 million) to support the creation of seventeen new private rice processing companies. Despite this, significant investment in quality processing techniques remains necessary, in particular for removing stones and for bleaching rice. These investments should be encouraged by the prospect of obtaining better prices for quality hulled rice.

Strong Rice Consumption Drives the Market. Since the 1960s, when rice was served essentially at banquets and celebrations, it has become one of the basic foods in Nigerians' diet. Urban growth has entrained a continual rise in annual rice consumption, which went from 8 kg per person in 1960 to 27 kg per person in 2007. The Nigerian rice market is divided into segments by price and by quality. Traditional rice dishes are prepared with different types of rice, so that rice consumption varies across the country. Nigeria is a large basin of local rice consumption, and hence a market that also draws rice produced in neighbouring countries such as Cameroon.

Consumers in large urban centres have a marked preference for high-quality imported rice. The strong preference for parboiled rice is not uniform across all the states in Nigeria. Non-parboiled rice is consumed in quantity in Ekiti state, while most consumers in Niger state prefer parboiled rice. In south-western Nigeria, the local Ofada varieties of rice bring high prices at market. Several studies of consumer preferences in Nigeria show that the cleanness and uniform character of imported rice make it more attractive than locally grown rice. To enable local rice to gain a significant share of the market currently held by imported rice, particularly among high-income urban consumers, substantial work and investment are needed.

The Need for Long-Term Investment. Despite support policies, the Nigerian rice-growing sector cannot keep up with the needs of local consumers, notably due to the instability of public policy. Institutions to build better horizontal and vertical coordination of local rice-growing activity must have a stable environment if they are to be effective. Current efforts at the national level to establish solid ties between different actors in the chain are still insufficient. Major investment is necessary to build the organizational capacity of growers' organizations, ensure better circulation of information between the links in the chain, and establish contractual agreements and ensure that they are respected. It is also crucial to take steps to improve public infrastructures, consolidate the electricity distribution network, and repair and extend the roadways. It will take time for these investments to bear fruit in terms of bigger harvests of high-quality local rice. ■

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Nigeria: From Customs Exceptions to a Regional Trade Policy

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NIGERIA STANDS OUT *in the sub-region for its traditionally protectionist trade policy. This tendency, which is partly in question today, has slowed down the process of West African regional integration.*

▸ This article is adapted from an article by E. Olawale Ogunkola, available online at the Inter-Réseaux website.

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NIGERIA'S TRADE POLICY is above all a tool to foster growth, and is framed to be consistent with the country's overall development objectives. This policy is formulated and implemented via legislation and regulation, as well as by directives issued by the federal Ministry of Finance.

Protectionism Is Losing Ground. Although Nigeria continues to use the same trade policy instruments, i.e. tariff and non-tariff barriers,[1] the combinations of the two have changed considerably over time. Export taxes in particular were progressively reduced starting in the 1970s and disappeared altogether in 1980.

Until the middle of the 1980s, Nigeria's trade policy was highly protectionist. Agricultural products, in particular grains and oils, were subject to high customs duties, between 50% and 100%, from 1978 to 1982. Quantitative import restrictions were placed on some 200 agricultural products between 1982 and 1985, and exports of nearly all agricultural foodstuffs were banned.

In 1986, Nigeria was subject to a structural adjustment programme. This marked the beginning of a progressive liberalisation of the trade regime, including agricultural trade. The process started with the setting up of a transitional regime for customs duties, a reduction in the number of products subject to an import ban (from seventy-two to seventeen product categories), and the elimination of import and export licence regimes. A new tariff schedule was then put into place for the period 1988-1994, followed by another schedule for 1995-2001. The latter schedule was finally extended to 2004.

1. Tariff barriers are import and export taxes, tariff quotas, etc. Non-tariff barriers are quantitative restrictions on imports and exports such as quotas, licences, prohibited products, etc.

During this period, customs duties on agricultural products also dropped, from an average rate of 37% in 1988 to 33% in 2000. The number of products subject to duty of less than 50% rose between 1988 and 2000, while the number of products subject to duty over 50% fell from 13% in 1988 to 7% in 2000. The agricultural products and foodstuffs subject to the highest tariffs are beverages and spirits (76.4%), tobacco (61.2%), grains (54.2%) and horticultural products (52.5%).

In addition, Nigeria has applied VAT at 5% (the lowest rate in the region) to domestic and imported products since 1993, and excise duty of between 20% and 40% on certain imports.

An Unpredictable and Opaque Trade Policy. Nigeria's trade policy is characterised by unpredictability, lack of transparency and the confusion created by many special regimes. Tariff schedules and lists of banned imports are revised frequently. The Nigerian customs authorities systematically assert the right to modify custom duties or to implement other ad hoc trade measures. Many special-interest groups obtain amendments from the authorities, adding to the perpetual modification of the trade regime.

This situation is likely to come to an end, however. First, because the present trade policy seeks to achieve more systematic application of the official tariffs, and second, because it is likely to be more difficult to avoid procedures that are harmonised at the regional level.

Restrictions that Fuel Informal Trade. As a member of ECOWAS, Nigeria is supposed to apply the trade liberalisation measures that took effect in 2004. Trade in products between countries in the region should therefore be entirely liberalised. This is not the case, and Nigeria's protectionist stance fosters widespread informal trade on the sub-regional scale, particularly in agricultural products.

An analysis of trade data for Benin reveals gaping discrepancies between official statistics and "mirror" statistics.[2] These discrepancies are greatest for products that are subject to import bans or high customs tariffs in Nigeria. It has also been shown that consumption of products subject to bans and/or high import tariffs in Nigeria is much higher in Benin than in Nigeria. On the face of it, per capita rice consumption in Benin appears to be very high, so high that Benin, a country with a population of fewer than 10 million people, imported as much rice as a country with a population of 130 million! Rice imports doubled in Benin between 2004 and 2006. These products subjected to restrictive measures in Nigeria only pass through Benin on the way to their final destination, Nigeria. In the case of rice, subject to a 50% customs duty in Nigeria and 8.75% in Benin, the share of Benin's import of rice classified as "in transit" increased from 79.9% to nearly 100% of total rice imports between 2004 and 2006.

The intense trade between Niger and Nigeria is based primarily on the competitive advantages of the two countries: a very large proportion of livestock raised in Niger is exported to Nigeria, and this country in turn exports grains to Niger. These flows build better food security in both countries, and particularly in Niger.

Nigeria's Discordant Policy Is Progressively Aligned with ECOWAS Policy. Today's move to regional integration in West Africa is gradually modifying Nigeria's trade policy regarding agricultural products. Specific measures in the process are the institution of a Common External Tariff (CET), the ➲

2. Mirror statistics are obtained by comparing the official figures of one country with those of its trade partners to verify their reliability and eventually fill in missing data.

ECOWAS Agricultural Policy (ECOWAP), and the ongoing negotiations of an Economic Partnership Agreement (EPA) between West Africa and the European Union (EU).

In 2005, Nigeria adopted an interim tariff schedule in order to align Nigeria's tariffs with the ECOWAS CET.[3] This was a difficult task for Nigeria, in that the maximum tariff allowed by the ECOWAS CET was 20%, whereas Nigerian customs duties reached 50% for some products. Nigeria pushed hard for a fifth tariff band at 50% under the ECOWAS CET. While Nigeria did not win out in on the issue of the tariff rate, a fifth band was accepted in principle.[4] The designation of products to be classed in this fifth band and the alignment of the new CET structure with the EPA process have not yet been finalised. The current tariff structure is in effect for the period 2008-2012, and comprises five tariff bands: 0% for essential goods; 5% for most raw materials; 10% for intermediate products; 20% for finished products that do not require protection; 35% for finished products that are processed locally. The latter are of strategic importance, notably in terms of customs revenue, and protection is necessary in the interest of local processors.

The results observed to date are mixed: although import tariffs in Nigeria are to a certain degree in line with the ECOWAS CET, in addition to tariffs Abuja regularly announces lists of imports that are banned to reinforce protection of the country's agriculture and industry. The return of these practices is a sign of discordant trade policy in the region, in particular between Nigeria and its neighbours. Nigeria advances several types of arguments to back its import bans: protection of domestic industry, rejection of dumping practices (especially poor-quality merchandise), security issues, sanitary and consumer health concerns, tax revenue, etc. The federal Ministry of Finance's list of banned imports, including from ECOWAS countries, currently contains twenty-seven categories of products: pork, beef, cassava and its by-products, fruit juices, water, cement, a set of seventeen pharmaceutical products, pharmaceutical waste, tyres, used car engines over ten years old, and textiles. A 2004 directive also included fresh fruit and vegetable oils among the banned products.

3. A single tariff schedule for all the member countries of ECOWAS.
4. The heads of state of the ECOWAS countries formally adopted the principle of a fifth tariff band at 35% in June 2009.

Towards a Regional Trade Policy. Even though it is an intra-regional process, establishing a Common External Tariff in West Africa is a prerequisite to the signature of the Economic Partnership Agreement between the EU and ECOWAS. The Nigerian position has had a strong impact on the implementation of the EPA. While neither Nigeria nor the thirteen least developed countries (LDCs) in ECOWAS had signed EPAs at the end of 2007, Ghana and Côte d'Ivoire have concluded interim EPAs.

In fact, the EPA talks aimed at regional integration have led to the application of several different tariff regimes in the region. As of January 2008, there were three regimes for trade between the EU and ECOWAS countries:

– non-reciprocal market access applied to "everything but arms" (EBA) for the thirteen LDCs in West Africa;
– the interim EPA regime for two non-LDCs, Côte d'Ivoire and Ghana, that stipulates progressive implementation of a reciprocal free-trade agreement; and
– a generalised system of preferences (GSP) regime, much less advantageous, for Nigeria.

The discordant trade policies of Nigeria and its neighbours can be better understood by analysing the factors that are determinant for Nigeria. Nigeria's need to protect its agriculture from competition with imported products goes beyond economic arguments, and touches upon food security and employment issues.

ECOWAS' current attempts to form a customs union call for not only effective elimination of trade tariffs between member countries, but also for a Common External Tariff to be applied to trade with outside countries. These measures necessitate significant reform of Nigeria's trade policy. ■

The Agro-Pastoral Product Trade With Neighbouring Countries: What's at Stake?

Dr Bio Goura Soulé (soule_goura@yahoo.fr)

NIGERIA IS A CENTRAL ACTOR *in the trade of farm and livestock products between countries in the sub-region. This article presents and analyses intra-regional trade in West Africa.*

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TRADE between Nigeria and its neighbours in West Africa (Niger and Benin) and in Central Africa (Cameroon, Chad, Equatorial Guinea) is intense and long-standing. As a consequence of its economic importance (over 50% of GDP in ECOWAS), population (one out of every two West Africans is Nigerian), and contrasting levels of development compared to neighbouring countries, Nigeria accounts for more than 60% of intra-regional trade in West Africa.

This trade involves primarily agricultural products and manufactured goods, in large part hydrocarbons. Over 50% of the petroleum consumed in Benin and Niger is supplied by Nigeria. Farm trade is nonetheless of major importance, in particular the foodstuffs that are consumed by the population.

Trade in agricultural products between Nigeria and its neighbours has expanded greatly over the last thirty years, and now has a well-established structure, including both formal and informal elements. In addition to reciprocal trade that complies to some extent with current regulations, there are exchanges that exploit the opportunities created by the multiple trade, fiscal and monetary divergences between the Federation of Nigeria and its neighbours in the franc zone.

Nigerian Exports to Neighbouring Countries. As producer of 75% of the dry grains grown in western and central Africa, Nigeria is a net supplier of millet, sorghum and maize to Niger, Chad and occasionally northern Cameroon. Transactions with these three countries represent a volume of around 500,000 tonnes annually, and constitute a food safety valve for Niger and Chad, countries that regularly experience food shortages that are more or less severe.[1]

Root plants and tubers are the second largest category of products exported by Nigeria to neighbouring countries, in particular yams and cassava products (mainly gari). While total production is estimated at around 80 million tonnes, Nigerian exports of yams and cassava products do not reach the volume of grain exports.

The third category of Nigerian agricultural exports includes counter-seasonal crops, principally potatoes and tomatoes. Nigerian potatoes, that compete successfully with extra-African imports on markets in Benin, show that local products can find local outlets if production is encouraged by appropriate incentives, primarily better access to the production factors (inputs and irrigation) needed for cultivation. Potatoes are grown in several irrigated sectors that were initially intended for rice or wheat crops in northern states such as Kano and Jigawa.

Imports from the Surrounding Region. Only a limited range of farm and livestock products have been exported by neighbouring countries to Nigeria in recent years. The main imports are cowpeas (niebe) and tigernuts (souchet), mainly from Niger. Niger's cowpea exports have been erratic. In the 1970s and 1980s, they stood at around 300,000 tonnes per year, and then fell to under 100,000 tonnes in the 1990s. The policy deployed by the government of Niger over the 2000-2010 decade was based on better guidance for growers, price incentives, and organised harvest collection; it doubled production volume, estimated at over 1 million tonnes in 2008. Half of the crop is exported to Nigeria that implicitly supports cultivation of this legume in Niger by offering a sure and steady market outlet.

The market for live animals is also growing rapidly. On top of exports from Niger, Chad and Centrafrique, via Chad and northern Cameroon, to Nigeria there are now exports from Burkina Faso, via Benin. It is estimated that one million head of cattle are traded each year.

Informal Trade Fuelled by Nigeria's Protectionist Stance. The exchange of agricultural and pastoral products drives trade that is mutually beneficial for States and for the private sector. Trade development is hindered, however, by the unpredictable nature of Nigerian trade policy and by the numerous obstacles (periodic import and export bans on certain products, graft by inspection and enforcement officers) that relegate a portion of transactions to the informal sector or even to illicit trafficking.

Indeed, the outstanding feature of Nigeria's trade relations with its neighbours is the prevalence of informal (i.e. unrecorded) transactions for a certain number of products. This trafficking probably began with cocoa deals in the late 1960s and early 1970s. The civil war in Nigeria disrupted trade channels in Nigeria, facilitating contraband cocoa, much of which passed through Benin to reach the international market. Although Benin had no cocoa plantations on its territory, cocoa accounted for 40% of the country's official exports between 1968 and 1970.

The measures deployed by the Nigerian government to counter the effects of the second oil crisis, including rationing or outright embargoes on certain mass market commodities (rice, wheat, wheat flour) gave rise to an almost-legal form of smuggling: re-export trade. In this type of transaction, a country imports consumer products in excess of its domestic needs, and exports the surplus to other countries, taking advantage of differing protective trade tariffs. Unlike through-country trade that allows land-locked countries to receive supplies via coastal countries, re-export is a fraudulent activity. It involves products that are either banned or highly taxed as imports by the country of final destination. ➲

1. See article page 25.

The Underside of Intra-ECOWAS Trade

This contraband remains vigorous, and is stimulated by the market protection measures taken by the Nigerian government. For example, Nigeria's protection of the rice market went from an initial ban on imports, to a 300% duty in 1994, then 100% in 1998, and finally stabilised at a tariff around 50% at the beginning of the 2000s. Since the adoption of the Common External Tariff (CET) by ECOWAS, the rate of protection is now 30% for Benin and 31% for Niger, positioning these two countries as the largest re-exporters in the zone. Re-export volume is estimated to exceed 500,000 tonnes per year. After rice re-exports come butcher meat, in particular poultry cuts (over 50,000 tonnes traded) and golden apples.

Trade Driven by Opportunity and Opportunism. Trade in farm products and livestock is organised and carried out via structured merchant channels, sometimes on a regional scale. The economic, financial and strategic stakes are high for this trade, and the different stakeholders—States, economic operators and consumers—are not always all winners. The overall value of trade in agrifood products between Nigeria and neighbouring countries is estimated at more than $1 billion, broken down as follows: exported livestock on the hoof, $350 million; re-exports from neighbouring countries to Nigeria (rice, poultry cuts, apples), $300 million; locally grown grains, $200 million; and about $100 million for other contraband (cowpeas, yams, cassava flour, potatoes, tomatoes, onions, other spices) for the most part from Nigeria to neighbouring countries.

The added value of these transactions goes essentially to economic operators, some of whom have formed networks with very strong ties to complicit public authorities. This trade has allowed a class of prosperous businessmen to flourish, whose strategies constantly defy the rules set forth by regional integration organizations and by States.

The countries involved (Nigeria, Benin, Niger, Cameroon and Chad) do not share the same analysis of the effects and impacts of these transactions, even though all agree that they help consolidate the ongoing regional integration process. For Nigeria, the re-exportation situation is less a factor mitigating the effects of the economic and financial crisis that has diminished urban consumers' purchasing power, than it is a phenomenon that wipes out the government's efforts to jumpstart domestic agricultural and industrial production. Inversely, for Benin and Niger this type of transaction brings considerable financial resources, and their budgets, fuelled by various taxes levied on re-exported products, would be in serious trouble if re-exports were eliminated. The recent crisis between Benin and Niger that arose over the rationing of Niger's vegetable oil imports, in part re-exported to Nigeria, is a good illustration of how these two countries have internalised the economic stakes associated with this quasi-official contraband.

The creation of the ECOWAS customs union, with a five-band CET, will bring on a restructuring of the regional market and more fluid intra-community transactions. National fiscal regimes will have to be harmonised to accompany this union, however—Niger and Benin apply 18% VAT, compared to 5% in Nigeria—if it is to significantly reduce contraband and foster an attractive market zone. The hesitation and procrastination observed in the CET negotiations leave little room for hope that this will be achieved in the near future.

Nigeria's Role in Niger's Food Security

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Some land-locked Sahel countries in Africa are dependent on cross-border trade for their food security. What is the situation in Niger today? How do the cross-border flows of staple foodstuffs from Nigeria allow Niger to ensure its food security? This article describes the trade between these two countries.

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Without the farm and animal products that arrive from Nigeria, it is hard to imagine how food security could be assured for the people of Niger. Given that the country has a structural shortfall in grains, Niger's food security, in terms of available foodstuffs, depends on imports, particularly from Nigeria.

The Intensity of Trade Between Niger and Nigeria. Trade between Niger and Nigeria is favoured by Niger's geographical situation: Niger, a land-locked country dependent on neighbouring countries to the south for food supplies, shares a long border (over 1,500 km) with Nigeria, as well as complementary agro-pastoral activities and socio-cultural factors. The Hausa peoples on both sides of the border live in symbiotic proximity by virtue of their shared culture, language, and social and religious values. Their family ties and multiple relationships of friendship and patronage form the social basis for this cross-border trade.

The territory surrounding the cities of Maradi in Niger, Katsina and Kano in Nigeria (the "K^{2}M axis") is one of the oldest development corridors opened to the Gulf of Guinea. With its dense urban fabric clustered around the city of Kano, this corridor demonstrates the magnetic attraction of Nigeria on Niger's economy. The K^{2}M axis, along with the Cotonou-Lagos axis, are the areas of the most intense cross-border activity in West Africa. Trade and commerce are very strong, in particular for livestock, cowpeas (niebe), peppers and tigernuts (souchet) from Niger, grains and manufactured goods from Nigeria, and other products re-exported to Nigeria. Apart from its role in Niger's food security, this cross-border trade enables the two countries to make the most of their respective competitive advantages, using their resources more efficiently and augmenting their wealth. Niger exploits its advantageous position in livestock production and trade, almost entirely (97%) exported to Nigeria.

Nigeria, Grain Supplier to Niger. Cross-border flows of dry grains are difficult to evaluate, especially as, unlike livestock, they are not subject to mandatory reporting at the foreign trade registration office. It is estimated that hundreds of thousands of tonnes of grain cross the Niger-Nigeria border between March-April and August-September each year. Most, but not all, of this trade flows from Nigeria into Niger. In addition to the truck-loads of freight transported for the big Hausa merchant networks that are active in cross-border trade, farmers with a few sacks of grain on a cart cross the border in both directions, depending on the going price of grain.

Estimates in the 1980s advanced a figure of 200,000 tonnes per year for the volume of millet and maize entering Niger from Nigeria. Even today, although the sources of food supply in Niger have been diversified, Nigeria continues to supply most of the country's dry grain imports,[1] 60% to 70% on average, depending on the estimates. Millet and sorghum are the main grains imported; the quantity of maize imports varies with the state of foodstuffs and the animal feed processing industry in Nigeria.

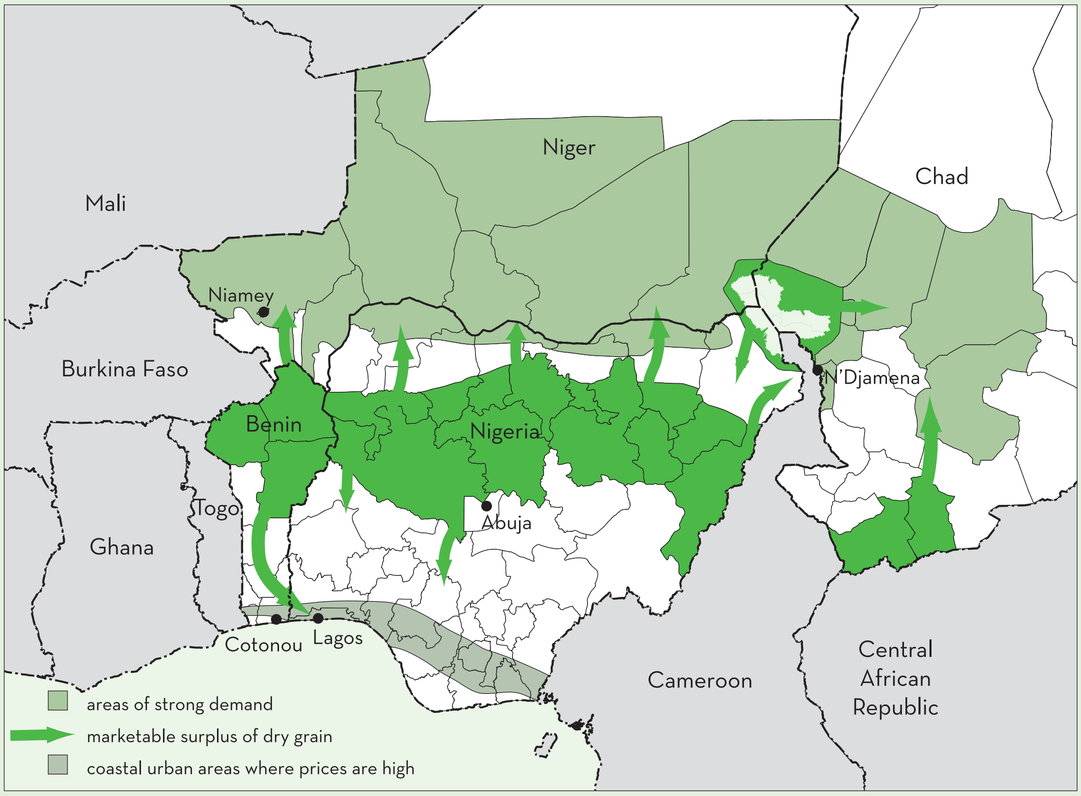
If harvests are normal on both sides of the border, the price difference between the two countries for the March-April harvest is too low to give merchants in Niger an incentive to purchase supplies in Nigeria. During this period, markets in Niger are supplied mostly by domestic production. As the pre-harvest season approaches, coinciding with the end of grain sales by small producers in Niger, prices rise. At this point, grains from Nigeria become competitive on markets in Niger.

Mistakes During the 2005 Food Crisis. Lack of rain and an invasion of locusts led to a serious shortfall in grain production in Niger in 2004. The gross grain deficit—harvest less food needs—was estimated at more than 450,000 tonnes. Niger thus suffered a serious food crisis in 2005. This crisis was compounded by the fact that Niger could not import as usual from neighbouring countries, in particular Nigeria, because harvests had been poor all across the Sahel and in the northern regions of coastal countries. Indeed, Nigeria became a net importer to cover its domestic grain needs for poultry farms and breweries. This had the effect of driving up prices and reversing the flow of grain (i.e. from Niger to Nigeria) until the government of Niger decided to close its land borders in May 2005.

At the time, Niger's early warning system did not detect the direction and volume of grain flows from Niger to Nigeria, and failed to anticipate the impacts. The food situation was analysed in a national perspective only, whereas Niger's economy is highly dependent on trade with neighbouring countries. Yet, the West African production shortfall had been predicted as early as December 2004 by the regional food crisis prevention and management scheme under the auspices of the standing intergovernmental committee to fight drought in the Sahel (the Comité permanent Inter-États de Lutte contre la Sécheresse dans le Sahel, CILSS).

The widespread grain shortfall in the sub-region led to tight supply and a sudden price rise on the market. Simultaneously, while the price of grain doubled, the incomes of Niger's farmers dropped precipitously. Already-poor families sought to sell their onions or livestock, their essential income-gen- ➲

1. Niger has a structural shortfall, and imports an annual average of at least 10% of the grain consumed in the country.



Primary Cross-Border Grain Trade Flows in the Eastern Basin (February 2010)

Source: Joint mission by CILSS, FAO, FEWS NET, WFP, February 2010.

erating resources. But the low level of demand in Côte d'Ivoire and Ghana forced down the price for onions, which were selling for half the 2003 price. Livestock also lost a great deal of its value during this period, due to a lack of pasture land. Furthermore, market outlets in coastal countries generally fluctuate in relation to the political and economic circumstances (in Côte d'Ivoire, Togo, Benin, Nigeria, etc.) and with the devaluation of the naira. The collapse of the price relation that existed between cash crops/grains and livestock/grains exacerbated the poverty of the population of Niger.

Finally, the food crisis was aggravated by the tardy and insufficient mobilisation of the government of Niger and its partners. The government made available only 38,460 tonnes of grains for sale at a moderate price. The distribution of free food by humanitarian organizations began in July 2005, when the rainy season had already started and the roads were impassable. An analysis of the sub-regional market should have pushed Niger and its partners to buy grains on the international market in early 2005, instead of waiting for the rainy season to look for supplies on the regional market.

Better Management of the Food Crisis in 2010. Regarding the economic situation, the 2010 food crisis in Niger was also due to a production shortfall in the 2009 harvest. This shortfall was estimated to be more than 400,000 tonnes of grain, on the same order of magnitude as in 2005.

But the 2010 crisis did not have the same impact as the food shortfall in 2005 because grains were available in neighbouring countries, particularly Nigeria, and due to swift action the government and its partners following an early and consensual assessment of the food insecurity situation. Early on in the crisis, the government put up 60,000 tonnes of grain for sale at a modest price. Later on, the population had access to foodstuffs on the market thanks to the massive intervention of outside partners via other instruments.

Grain imported from Nigeria (and to a lesser extent from Benin) acted very effectively to regulate supply and helped stabilise prices. In February 2010, an assessment of markets and food security conducted jointly by CILSS, WFP and FEWS NET showed that 80% to 100% of markets in Niger were supplied each week with close to 4,300 tonnes of dry grain from Nigeria, 1,750 tonnes from Benin and 240 tonnes from Burkina Faso. Nigeria was thus the major grain supplier to Niger, as seen in the map above.

The World Food Programme (WFP) was able to purchase large quantities of grain regionally, from government grain offices (60%) and from major traders (40%). These supplies were used to benefit the poorest people in the population, through the "work for money" scheme and direct distribution.

According to a WFP study, the price differential for dry grains (millet, maize, sorghum) between markets in Niger and markets across the border remained positive, creating incentives to export these products to Niger. The cross-border grain trade continued in favour of Niger until July-August of 2010, and prices remained stable overall despite a slight rise during the month of Ramadan.

During this period, the livestock sector suffered severe losses, estimated at several thousand head. This situation worsened with the flooding in Niger during the 2010 rainy season. The pastoral population suffered from the degradation of the livestock/grain exchange rate. The poor quality of the animals brought to market, a glut in the supply due to the lack of forage, and the drop in demand in Nigeria combined to force down livestock prices. With the money they earned, cattle farmers were not able to buy what they needed on the market.

In conclusion, let us emphasise the extent to which the fate of the poorest segments of the population in Niger is closely linked to the health of the Nigerian economy. This case illustrates Nigeria's economic responsibility in the sub-region and the importance of regional-scale crisis management in the Sahel. ■

A Look at Agriculture and Agribusiness in Nigeria

Interview: Ndidi Okonkwo Nwuneli
(nnwuneli@africanace.com)

AGRICULTURE IN NIGERIA *as seen by a Nigerian specialist. In some respects, the circumstances in Nigeria resemble those of neighbouring countries. In this analysis, the emphasis is on pragmatic approaches and the spirit of enterprise, whether family-run businesses or larger-scale operations.*

▸ Born in Nigeria, Ndidi Okonkwo Nwuneli has a Master's degree in Business Administration from Harvard Business School. She began her career as a management consultant with McKinsey & Company in the United States and in South Africa. She returned to Nigeria in 2000 to promote entrepreneurship and leadership development in Africa. After a stint as pioneering director-general of the FATE Foundation, she founded LEAP Africa and NIA, two structures that provide ethics, leadership and management training, and coaching for youths, business owners, social entrepreneurs and the public sector. She is also a co-founder of AACE Foods, a local agro-processing company in Nigeria, and of AACE Consulting, a consulting firm specialised in agricultural strategy and policy.

GRAIN DE SEL: *What is your diagnosis of the agricultural sector in Nigeria?*

NDIDI NWUNELI: Agriculture is the most important sector in the Nigerian economy. It employs 60% of Nigerians, including many rural women, and contributes up to 35% of the country's GDP. As in many other African countries, agriculture in Nigeria is largely focused on food crops for the domestic market, given the Nigerian population estimated at 150 million people. In spite of this reality, Nigeria remains a net importer of food, for many reasons. First of all, the majority of the agriculture-focused operations in the country are small-scale, with limited innovation regarding inputs, harvesting, processing, distribution, and access to markets. The vast majority of people engaged in agriculture operate at the subsistence level, are uneducated and have limited access to training. Moreover, 95% of the country's exports are dominated by petroleum and related products, which has shifted focus away from agriculture. As a result, until recently, there has been severe under-investment in agriculture by the public and private sectors, civil society and bilateral and multilateral agencies. This has been intensified by weak, un-enforced, poorly implemented and often conflicting policies at all levels of the country.

GDS: *Isn't there strong potential for agricultural development in Nigeria?*

NN: The potential of the agriculture sector in Nigeria is huge. The country has a substantial base to build upon: its natural assets including land (39.6 m hectares of arable land, of which 60% is under cultivation), climate and rainfall, its coastal areas, its history as an agrarian economy. Today, Nigeria is one of the world's largest producers of cassava, cashews, tubers (sweet potato, yams), fruits (mango, papaya) and grains (millet, sorghum and sesame). In addition, the country's population represents a large domestic market that can support and sustain local production and processing. Nigeria also plays a key role in West Africa and there are tremendous opportunities to access regional markets. Unfortunately, there is limited collaboration across regional value chains; there is greater collaboration between the West African countries and their former colonisers or the United States, than with their neighbours. This has resulted in significant lost opportunities in sectors such as rice, cotton and cocoa, and continued dependence on imports.

GDS: *What are the respective roles of the public and private sectors for developing agriculture in Nigeria?*

NN: The public sector is responsible for creating an enabling environment for agriculture to thrive. It also needs to invest in addressing the key issues that currently hinder the sector by reinforcing trade policies and land tenure policies; investing in strong agricultural educational and research institutions; easing government engagement in fertiliser, seed and input supply, distribution, and financing; providing incentives for financial institutions, especially banks and insurance companies to support the private sector; ensuring strong and effective extension support services, and agriculture development programmes at the local government level; and providing adequate infrastructures, especially feeder road networks and consistent and affordable electricity. Moreover, agriculture needs to be recognised as a key business sector in Nigeria, and like other sectors, requires the engagement of the organised private sector across critical value chains. The sector presents tremendous opportunities for the emergence of small and medium-sized enterprises which can create value and jobs across critical value chains. The private sector can provide financing, support systems—including equipment, processing, transportation, distribution and marketing support.

GDS: *What is required to strengthen the agricultural sector in Nigeria?*

NN: There is an urgent need for improvements in productivity, via access to improved seeds, fertilisers, water management techniques, equipment, financing, and markets. Today, only about 5% of Nigerian smallholders use improved seeds because there are significant problems with seed availability, quality and pricing. Four seed companies dominate seed production; and there is a significant amount of bad seed in the system due to the poor quality of produce from seed companies. The fertiliser application rate is approximately 7 kg per hectare of arable land, a small fraction of the global average of 100 kg/ha. Only 18% of farmers receive extension services. Rudimentary technology is still used for cultivation, harvesting and processing, which increases overall production costs. Storage capacity is poor; there is limited access to good packaging and no organised warehouse systems, generating large post-harvest losses and wide price fluctuations. Packaging is inadequate and inappropriate, due to poor communication between the ➲

different players across the chain and lack of awareness of the processors' packaging needs. Direct and indirection distribution circuits are fragmented and often hastily improvised, at very high cost. In addition, high oil prices have dramatically increased the cost of transportation.

There is an urgent need to address the energy challenge in West Africa, particularly electricity supply. Energy is required for processing, packaging and storing agricultural produce. Unfortunately, electrification is limited in rural areas, and the provision of electricity is sporadic even in urban areas. Many processors are compelled to rely on generators, and to devote a large percentage of their operating expenses to paying for increasingly expensive petrol and diesel.

Alleviating these constraints will ensure that Nigerian produce is competitive relative to imports (today's combination of low yields, averaging 1.7 tonnes/Ha, and high labour costs results in paddy prices of around US$ 300/t, compared with $130-140 in Thailand) and affordable for local consumers. Beyond the issue of yields, considerable emphasis has to be placed on value chains, in order to ensure that they are not only efficient, but also effective.

GDS: *What do you mean by "agribusiness"?*

NN: The term "agribusiness" simply refers to the breadth of businesses engaged in all aspects of agriculture, from the provision of inputs such as seeds and fertiliser, to farming, processing, marketing, distribution and retail sales. It emphasises the notion that for agriculture to be sustainable, it needs to be viewed as a business.

GDS: *Do you think agribusiness is the only way of increasing and developing agriculture in Nigeria?*

NN: Yes I do. African farmers have lived and worked as subsistence farmers for far too long. At the subsistence level, we have shrinking and depleted farms, an ageing population with limited interest from the youth to engage in agriculture; there is an urgent need to explore the potential profitability of every agriculture investment and to determine whether it makes financial sense to proceed in the short, medium and long-term.

GDS: *Are there interesting agribusiness undertakings in the field now?*

NN: There are very few examples of thriving and efficient value chains in the Nigerian context. Companies such as Olam, Nestle and Nigerian Breweries successfully source their produce from smallholder farmers and support growth across the value chains. In the case of Olam, through support from USAID Markets, it has been demonstrated that coordinated and targeted interventions can generate significant increases in yields. By organising smallholder farmers into groups, providing training, extension services, and inputs on credit, the farmers experienced significant increases in yields, resulting in greater supply of rice for the Olam processing facility in Benue state, Nigeria.

GDS: *What can be done for agribusiness? How can the private sector grow?*

NN: It is important to recognise the need for comprehensive interventions to ensure sustainable growth and job creation. For example, the cassava value chain, one of the most important value chains in Nigeria, benefited from a presidential campaign for cassava and its products, including cassava chips, flour, etc. With minimal investment in research, provision of market information, access to subsidised fertiliser, and links to international markets, cassava received a major boost in the country between 2003 and 2007. This boost has resulted in a glut on the market, obviously disappointing farmers. This demonstrates that a focus on increasing yields, without investing in processing and other aspects of the value chain will lead to short-term gains, but not long-term sustainable growth and development for actors across the chain.

GDS: *In your opinion, what types of farming should be encouraged?*

NN: Both small-scale and large-scale farming should be encouraged. Every emerging economy needs both small-scale farmers and large-scale farmers working together and supporting each other. Family farms must be modernised and become more market-oriented. The government has recently launched a Commercial Agriculture Initiative to support the emergence of larger farmers. However, given that majority of the farmers in Nigeria operate farms that are less that one hectare, it is imperative that broad-based agriculture initiatives be implemented. ▪

Farmers' Organizations Not Yet Unified in Nigeria

Inter-réseaux (inter-reseaux@inter-reseaux.org)_

There are a great many farmers' organizations in Nigeria, but can we speak of a Nigerian "farmers' movement"? Between the large umbrella organizations that are sometimes manipulated by the government authorities, and a multitude of local initiatives, Nigerian farmers are now beginning to look for a path to unity.

▸ This article by the *Grain de sel* editorial staff draws upon a study carried out by Agricord, an article in *Défis Sud* (issue No. 95, pp. 20-21), and interviews with Amina Jibrin and Alaseinde Arigbede, leaders in Nigerian farming.

▸ Amina Jibrin (aminabj@yahoo.com) has been president of the Association of Small Agroproducers in Nigeria (ASAPIN) since 2010. She has been a farmer for fifteen years, growing maize, soy beans and cowpea (niebe) on the roughly two hectares she owns in a village in Bauchi state.

▸ Olaseinde Arigbede (olaseindearigbede@yahoo.com) chairs the Union of Small and Medium-Scale Farmers of Nigeria (USMEFAN). Trained as a medical doctor, for twenty-three years he has pursued his choice of working to support smallholders in his country.

Even if farmers' organizations (FOs) in Nigeria are not yet well structured, several broad categories can be distinguished: FOs with a general scope and focus on advocacy; FOs set up as cooperatives specialising in one or more agricultural products; FOs that operate locally; and FOs made up of only women.

The number and composition of FOs in Nigeria are hard to ascertain. Locally there are many small FOs, often organised by age group or sex (elders, youths, women, etc.). On the national scale, the large federations that are meant to take charge of advocacy and address politicians have been created only recently, or are very close to the federal government. It is still too early to speak of a genuine "farmers' movement" in Nigeria, but some dynamic currents are becoming established.

CFN and FADU: Economic Organizations Structured at the National Level. There are an estimated 2,000 cooperatives in Nigeria that are grouped in local and/or regional unions. They are specific to a product (mainly groundnuts, cassava, oilseed plants, cotton, maize, wheat and rice) or to a territory. The Cooperative Federation of Nigeria (CFN) was founded in 1945, and numbers thirty-five cooperative federations from around the country, covering roughly 50,000 grassroots cooperatives. In addition to representing its members at the national level, the CFN offers various services: training and capacity building, access to credit. It also plays a role in mediation and coordination between the member cooperatives.

The Farmers' Development Union (FADU) has at least 500,000 members, 65% of whom are women. The federation is active in twenty-nine states in Nigeria. Its activities aim primarily to provide economic services to farmers—management advice, technical training, access to credit, etc.—and defend their interests.

Women's Cooperatives United under COWAN. The Country Women's Association of Nigeria (COWAN) was created in 1982 by Mrs. Bisi Ogunleye, who still presides the federation today. It operates in twenty-eight of the thirty-six states in Nigeria. Its members are exclusively women, rural or urban, who are organised in local groups (cooperatives) of ten to fifteen members. COWAN's activities follow the needs of its members: the federation offers microcredit and training in ways to save money, as well as support for small businesses and agricultural activities.

Organizations with a Trade Union Focus: AFAN, USMEFAN and ASAPIN

AFAN, a special partner of the government. The Apex Farmers' Association of Nigeria (AFAN) was born of the merger of two umbrella organizations, the All-Farmers Association of Nigeria (ALFA) and the National Farmers' Association of Nigeria (NAFAN). This merger was purportedly recommended by the Nigerian president Olusegun Obasanjo, who wanted to see all Nigerian producers assembled in one organization, so that the government would have a single clearly identified interlocutor for addressing agricultural issues with the farming community. AFAN is considered to be very close to the government and its independence has been questioned. The make-up of its leadership has very often been affected by changes in the government.

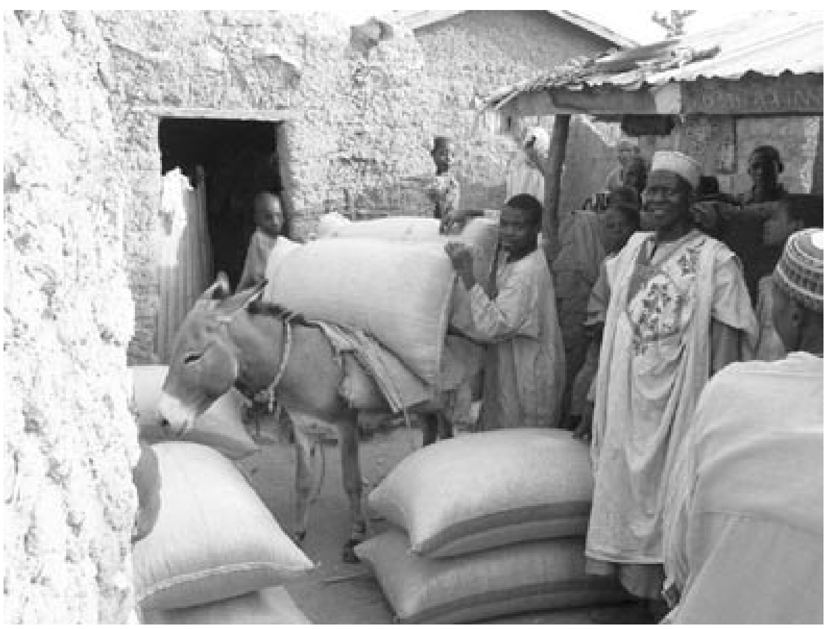
AFAN's activity is essentially that of an advocacy group at the federal government level. AFAN seems to play an important role in Nigerian agriculture, and draws its legitimacy from its membership inherited from ALFA and NAFAN. It has often been reproached for not representing small farmers in Nigeria, however. Amina Djibrin, president of ASAPIN, denounces "an agribusiness type of producers' apex organization that does not defend the interests of small farmers." Likewise, Dr. Olaseinde Arigbede, president of USMEFAN, declares that AFAN "is a political instrument in the hands of the government, and has never truly defended the interests of small producers."

USMEFAN, an organization that affirms its independence. Contrary to AFAN, the Union of Small and Medium-Scale Farmers of Nigeria (USMEFAN) is a broad umbrella organization that is highly critical of the federal government. Its leader, Dr. Olaseinde Arigbede, describes the difficulties that USMEFAN founders encountered at the inception of the organization: "The existing apex organization, AFAN, did not want its members to have the option of going over to another organization. When we finally managed to build a coalition of producers and launch USMEFAN in 2004, it didn't please the government, and we had to fight until 2007 to obtain legal recognition and status."

Today, USMEFAN is a national network of producers in twenty-two states across the country. Based in Ibadan, USMEFAN operates with very little outside funding and few employees. As its leader explains: "We cannot depend on funding bodies for our de- ➲

velopment; I believe that NGOs and international aid have corrupted our people. I recognise that we need partners to help us start up certain activities, but later on the organization must be capable of generating income by itself through its activities, and not always wait for outside help." Dr. Arigbede's strong personality, which has given the organization its impetus since the beginning, makes some observers sceptical concerning USMEFAN's social base and its viability.

USMEFAN focuses on food sovereignty and the defence of family farms and smallholder agriculture: "We are convinced that family farms are the best prospect for the future, they are the hope of Africa." (Dr. Olaseinde Arigbede) The group opposes globalisation and market liberalisation, fighting for greater justice, equity among peoples and gender equality. Its grassroots action addresses the day-to-day problems of small farmers. One of its major current themes is land grabbing. To combat this phenomenon, USMEFAN has waged a broad awareness-raising campaign notably via the media, targeting farmers and also traditional chiefs. USMEFAN is also mobilised against the introduction of genetically modified organisms (GMOs) in Nigeria, working to inform the young generation and raise their awareness.



"Voices for Food Security" and the birth of a new organization, ASAPIN. The Voices for Food Security (VFS) campaign was launched in July 2009 by Nigerian organizations working with NGOs from the North, most notably Oxfam. These include Nigerian smallholders, civil society organizations and various Nigerian networks. The main objective is to mobilise actors and support their efforts to work together on food security issues in Nigeria.

The VFS campaign is addressed to the federal government, and to international funding bodies. One of its first acts was to ask the government to split the Ministry of Agriculture and Water Resources into two separate ministries, a plea that was fruitful, as these two ministries now exist. The second issue raised by VFS was the percentage of the national budget devoted to agriculture (see the Maputo commitments), when it was observed that this proportion had fallen between 2009 and 2010.

The presence of a great many organizations representing Nigerian smallholders in this campaign led to the creation of the Association of Small Agro-Producers (ASAPIN) in Nigeria with the mission of representing small producers at the national level. ASAPIN obtained official recognition in March 2010. This organization represents local FOs that are themselves present in all thirty-six states. USMEFAN is a member of ASAPIN. ASAPIN aims to affiliate 100,000 members, and has taken on the mission of defending food sovereignty and smallholder agriculture in Nigeria.

While ASAPIN's work is still closely tied to the VFS campaign and advocacy, it also pursues action to support farm production, via projects to give farmers access to inputs. The association also supports agricultural trade by helping farmers gain access to markets and developing their negotiating skills.

Nigerian Organizations in the Sub-Regional Structuring Process. Farmers are organised in a number of different ways at the federal level in Nigeria. They may focus on economic activities or advocacy; some have ties to the government, others are independent. These farmers' organizations are recent and fragile. As of this writing, none had joined the Réseau des Organisations Paysannes et de Producteurs d'Afrique de l'Ouest (ROPPA, the network of farmers' and agricultural producers' organizations of West Africa). USMEFAN and ASAPIN, by their vision and their mission to defend family farms and food sovereignty, would seem to be quite close to ROPPA's positions. Dr. Olaseinde Arigbede, leader of USMEFAN, offers an explanation. "We have been in contact with ROPPA for a long time and we have already collaborated at several levels. But it I think it is not yet time for us to join a sub-regional network because, when one is part of a network, one's partners and those who work with the network tend to want to put everybody in the same basket. The risk is that if the basket falls, all the eggs are broken at the same time. This seem to me to be risky for us, for the time being. Furthermore we don't want to dilute ourselves in a sub-regional body. Nigeria is big, we represent over half of West Africa, and therefore if we want to set up a network to be stronger, we should start with our own country!" ▪

Getting Fertiliser into Farmers' Hands

Brian Kiger (bkiger@ifdc.org), Ketline Adodo (kadodo@ifdc.org)

To facilitate access to subsidised fertiliser for smallholder farmers in Nigeria, IFDC developed a fertiliser voucher programme that relies on a public-private partnership. This initiative has met with resounding success, even if many limitations remain to be addressed.

▸ Brian Kiger is a project leader at the International Fertilizer Development Center (IFDC) in Nigeria. He has worked with the Nigerian government, USAID, and Alliance for a Green Revolution in Africa (AGRA) to develop a voucher programme for the purchase of subsidised fertiliser.

▸ Marie Ketline Adodo was coordinator of the Information and Communication unit of IFDC's Africa Division based in Lomé for more than ten years. She is currently the IFDC communication officer for Africa.

▸ IFDC (http://www.ifdc.org/) is an international organization addressing critical issues such as international food security, the alleviation of global hunger and poverty, environmental protection, and the promotion of economic development and self-sufficiency. IFDC focuses on increasing productivity across the agricultural value chain in developing countries. To date, IFDC has provided assistance in nearly 100 countries.

Haladu Abdu, chairman of the Jumar Kwari Kamfa Fadama Farmers Cooperative in Wudil (Kano state), has just paid for two 50-kg bags of subsidised mineral fertiliser upon presentation of a voucher coupon that was allotted to each member of his organization two weeks earlier. "The great advantage of the voucher programme is that fertiliser is distributed almost on our doorsteps," he says. "Many of us had not seen fertilisers for a long time. Last year, with this programme, we received three bags each. Before, there were times when we had only two bags for our entire community."

Mr. Abdu was one of a total of 300,000 farmers in Bauchi, Kano, Kwara and Taraba states who had a chance to purchase government-subsidised fertilisers. He is one of the beneficiaries of the 2010 Fertiliser Voucher Program funded by the U.S. Agency for International Development (USAID) in collaboration with four state governments in Nigeria and implemented with technical support from IFDC.

Farmers in Nigeria have limited access to mineral fertiliser. In most villages, it is harder to get fertiliser than a bottle of Coca-Cola or a cell phone card.

A Recent Initiative to Respond to the Absence of Structured Fertiliser Distribution Channels. Between 1977 and 1996, the federal government of Nigeria implemented an annual programme to supply fertiliser to farmers. In 1997, the fertiliser market was liberalised without prior preparation of the private sector. This led to a sharp decline in fertiliser use, from 1.2 million tonnes in 1992 to under 57,000 tonnes in 1997. In 1999, the federal government introduced a subsidy of 25% to increase fertiliser use. Studies have shown, however, that only 20% of subsidised fertiliser actually reaches small farmers, due to diversion all along the distribution chain. Moreover, the products often arrive late in the season, and are sometimes of poor quality and insufficient quantity. Furthermore, they are sold on local markets at prices comparable to those of unsubsidised fertilisers, due to intermediaries and government agencies that are not held accountable for procurement and supply.

How can we make sure that subsidised fertiliser actually reaches small farmers in time and at a reduced price? One solution is to use a voucher system. André de Jager (IFDC) supports this approach: "One of the voucher system's strengths is that everyone gains: the distributor benefits from an assured market and a guaranteed margin; the government benefits from the assurance that subsidies are reaching a targeted audience—smallholder farmers; the farmers benefit from governmental assistance and are able to buy fertiliser near their homes."

In 2008, capitalising upon successful experiences in other countries, IFDC, in collaboration with the National Programme for Food Security (NPFS) of Nigeria, piloted a Fertiliser Voucher Program (FVP) in Kano and Bauchi states. These pilot schemes, which targeted fewer than 5,000 farmers, demonstrated the feasibility and efficiency of a voucher system to allocate public subsidies directly to smallholder farmers, via private-sector supply of subsidised fertilisers.

The success of the 2008 pilot phase led to testing of the fertiliser voucher system on a larger scale. A vaster programme covering Kano and Taraba states was launched in 2009. These programmes aimed to supply subsidised fertilisers to one-third of the smallholder farmer population in each state (134,109 farmers in Kano, and 60,468 farmers in Taraba).

The objectives of the FVP in Nigeria are threefold: (1) ensure that the subsidies reach the targeted farmers; (2) develop a distribution channel managed by the private sector that is able to function with or without subsidies while providing fertiliser to meet market demand; and (3) improve the administration of subsidies by the federal and state governments.

Muhammad Umar Kura, Managing Director of the Kano State Agriculture and Rural Development Authority (KNARDA), praises the programme: "We tested several options, starting with the direct distribution of fertilisers to farmers, but the government does not have the capacities of a business enterprise. Fertiliser is a political product. The shiner of shoes, the mechanic on the corner, everyone is interested in fertiliser since it is provided by the government. We needed a programme that made it possible to deliver quality inputs to targeted farmers. It is the transparency which is the strength of the FVP. The cost of the subsidy becomes more bearable for the government if it is sure that the money spent really benefits farmers."

How Does the Voucher System Work? Local extension agents distribute vouchers that represent a 40% discount on the market purchase price of fertiliser directly to targeted smallholder farmers. These vouchers can be redeemed at selected fertiliser dealers, to whom farmers pay only 60% of the nominal price, corresponding to the non-subsidised portion. Each voucher bears secure identification features: the farmer's name and photograph, a unique voucher serial number, indelible ink and a barcode.

Targeted farmers are identified on the basis of spe- ➲

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cific criteria. In 2010, most of the recipients were smallholders (20% women) affiliated with a farmers' organization who could afford to buy the subsidised fertiliser.

Farmers receive training on fertiliser management, and on the functioning of the voucher programme. Each operation is conducted by qualified teams of agents from the Ministry of Agriculture and each state's extension services, supervised and coordinated by the IFDC. The distribution teams are required to record a daily inventory of vouchers distributed and of fertiliser sales.

With the vouchers in hand, farmers can buy a specific quantity of fertiliser from private-sector dealers who are affiliated with the programme. The fertiliser dealers then redeem the vouchers with their suppliers, who in turn exchange them for payment from the government.

Challenges to Be Met. Despite the programme's success, many constraints undermine its sustainability. In 2009 and 2010, the government delayed payment to affiliated dealers—jeopardising the programme and pushing back the launch of the programme in each state. This led some stakeholders to withdraw from the 2010 programme and ultimately reduced the number of farmers who benefited (see table).

Another challenge lies in the technical and financial capacities of fertiliser dealers and their ability to effectively implement the FVP. In the past, fertiliser was distributed through government channels and not by the private sector. As a result, there are significant gaps in the supply chain between fertiliser producers and local distributors. Furthermore, regional distributors and local dealers have limited access to the affordable credit that they need to procure their stock.

Implementation by government agents is not an easy matter either. As a consequence of dwindling funding for the agricultural sector in Nigeria, the qualifications of government agents specialised in agriculture in rural areas have also fallen, as competent workers seek better-paid jobs elsewhere. To provide an incentive for local extension agents, the FVP pays them in proportion to their involvement in the programme.

And those who profited under the previous system by diverting fertiliser from their intended beneficiaries are not well disposed towards the programme. Due to the transparency of the programme only some state and federal civil servants are willing to support it. Occasionally, extension of the programme has been deliberately impeded.

An Innovative System that Stimulates the Private Sector. The FVP is more transparent and cost-effective than earlier fertilisation distribution programmes in Nigeria (90% of FVP fertiliser reached targeted farmers in 2009 and 2010). Government costs for the distribution of subsidised fertiliser have been cut by 60%.

By securing their profit margin, the vouchers encourage fertiliser dealers to develop supply channels in rural areas. Although the FVP is an innovative way to boost the capacities of the private sector, it faces challenges that cannot be overcome in just one season. The programme's success will ultimately depend on the determination of the Nigerian government as a whole. ▪

The 2009 and 2010 Fertiliser Voucher Programmes in Nigeria: Key Figures

Description	2009	2010
Number of Participating States	2	4
Number of Farms That Purchased Fertiliser with Vouchers	194,000	171,000
Amount of Fertiliser Sold under the Programme (metric tonnes)	29,800	16,397
Government Subsidy (millions of $)	$7.90	$4.4
Total Fertiliser Sales (millions of $)	$18.7	$10.6

The Nigerian Giant Hungers for its Neighbours' Coconuts

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Nigeria is generally seen as a regional giant capable of stimulating the agricultural economies of neighbouring countries. Without appropriate public policies, however, regional integration has its limits. Here, we illustrate this with a case study of a little-known activity, the coconut value chain in Ghana.

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▸ Ambrose Kwaku Dziwornu is a student at the University of Ghana.

▸ Jérémy Salinier is a student at Supagro Institut des Régions Chaudes (IRC), Montpellier.

▸ Philippe Courbet works as an adviser at the French Embassy in Ghana.

At a scientific meeting in 1990, a researcher displayed a map of agricultural production in West Africa with a large blank space for Nigeria, indicating the absence of reliable data on this regional giant. Since then, although research on this country has improved somewhat, there are still areas in which one can learn more about Nigeria via its neighbours. This is the case of the coconut value chain. Without much fanfare, Nigeria imports coconuts from neighbouring countries in West Africa. Is this an example of regional integration, driven by demand from Nigeria?

Growing Demand in Nigeria. The demand for coconut in Nigeria has outstripped the country's production capacity for several decades. Coconut production is limited to the south-western part of the country, while national consumption is rising. Coconut oil has been imported from Benin and Togo since the 1980s. In the 1990s, demand shifted from oil to the nuts themselves. Coconut oil has gradually been replaced by less expensive palm oil. Coconut consumption, however, has continued to rise with the growing population, especially dry coconuts consumed in northern Nigeria. Import channels for dehusked dry coconuts are being put into place: young Nigerians go to plantations in Benin and Togo where they pay for coconuts to be gathered, dehusked and then hauled to Nigeria. In the late 1990s, traders went as far as Côte d'Ivoire which had a coconut surplus, thanks to a hybrid coconut R&D programme. But the hybrid varieties keep less well than the traditional coconut,[1] called "Grand-ouest africain" (GOA), and from 2002 onwards Nigerian buyers turned massively to GOA coconuts grown in western Ghana.

The Situation in Ghana Before the Arrival of Nigerian Merchants. The development of a coconut value chain in south-west Ghana is a textbook case. Introduced in the 1920s by a British forestry operator, coconut growing expanded in the 1950s when a copra[2] processing plant was created, as a result of public policy. Under the socialist regime, this plant was managed by civil servants. Planters became dissatisfied with the deteriorating terms offered by the plant for their coconuts and, over the course of the 1960s and 1970s, villages along the south-western coast of Ghana established their own small-scale processing units. At the same time, there was not enough land available for young planters coming of age, and they turned to post-harvest activities and transport of coconuts and oil. Some traded as far away as Accra, and began to make loans to planters, gradually coming to control the whole value chain. Coconut became nearly the only income-generating activity along the south-west coast of Ghana, and a major source of employment. Over the years, a few big oil processors came to dominate the chain, via loans and the chronic indebtedness of planters. This economy based almost entirely on a single crop was fragile. The region was increasingly threatened by the lethal yellowing disease that afflicted coconut trees and spread in the 1990s. A hybrid coconut development programme was set up with help from French cooperation authorities, crossing GOA and more productive varieties, but its results were not conclusive and prices remained very low. In this seemingly dismal context for the future of the value chain, demand from Nigeria initially seemed to be a positive thing for the region and its planters. An example of successful regional integration? A closer look leads to a more nuanced view.

Creation of a Nigerian Purchasing Channel in South-Western Ghana. Nigerians buyers came to Ghana scouting for opportunities, and set up business where they were sure to be able to procure coconut. They first set up in about 2002, in Jomoro, the prime coconut-producing district, still untouched by lethal yellowing disease. Their presence became more visible in 2005 as other Nigerian buyers set up in neighbouring districts. These buyers are between twenty and forty years old, and some of them have university degrees in marketing. They work for merchants and trading companies based in Lagos that finance them via a commercial bank located in Half-Assinia, the district capital. The young Nigerians redistribute this money to Ghanaian intermediaries who purchase and collect coconut for the buyers. The coconuts are shipped in trucks registered in Ghana to the Nigerian border, where they are transferred to lightweight vehicles that take the shipments to Lagos. Most of the coconuts are sent to Kano, where they are sold for consumption throughout northern Nigeria and in neighbouring Sahel countries.

The Nigerian buyers, with capital and the Nigerian currency, the naira (that appreciated by 40% against the Ghanaian cedi between 2005 and 2009), found it easy to compete with local processors. To compensate for the fact that they did not provide the same services ➲

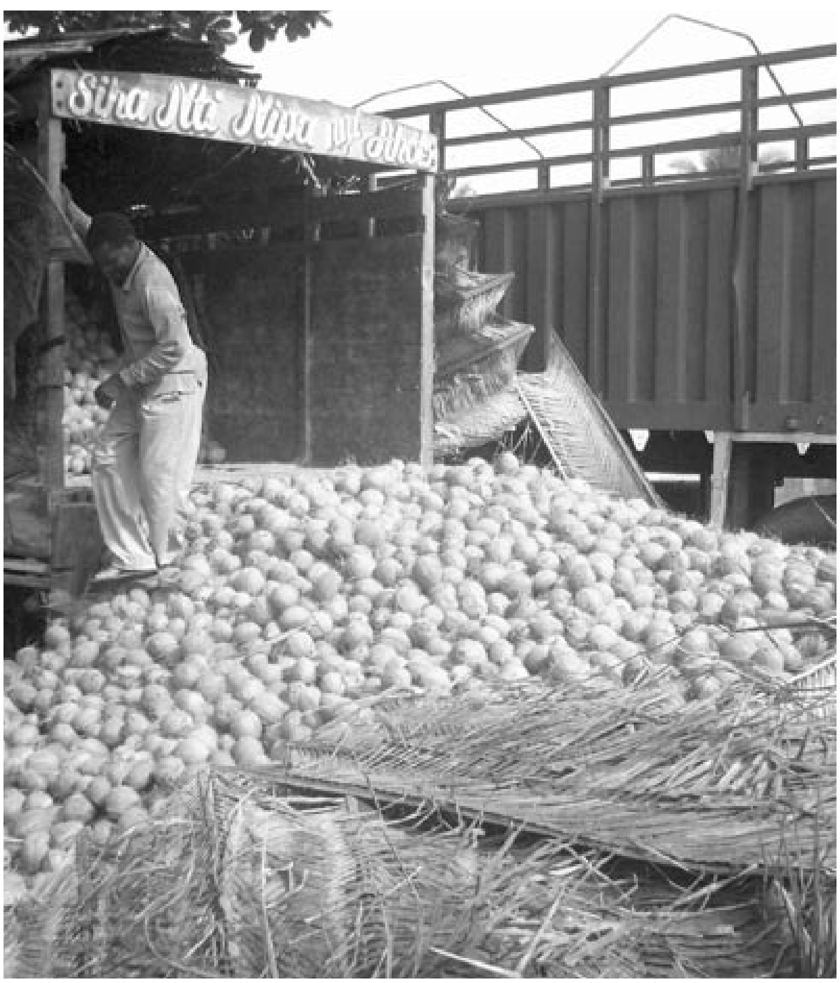
1. The coconut palm originally came from South-East Asia.

2. Albumen, or dried coconut meat.

as the processors,[3] the buyers offered a higher price than the local price, and covered the cost of peeling and transport to their warehouses. In this way, they could load trucks quickly and ensure rapid rotation of their capital. The Nigerian market now absorbs over 50% of coconut sold in Ghana.

The Impact of Nigerian Pressure on the Local Value Chain

Positive Impacts: Higher Prices, Greater Added Value. The first effect of strong demand from Nigeria was a rapid rise in prices in south-western Ghana. Nigerian buyers, taking advantage of the economic rent generated by higher prices for coconut in Nigeria and the naira/cedi exchange rate, were able to raise the purchase price offered year after year. This upward pressure can also be attributed to competition between buyers. Between 2005 and 2008, the price of 100 coconuts delivered to the warehouse went from three to nine cedis, or from two to four cedis in constant currency (2001 value). This doubling of the constant price was indeed due to Nigerian purchases. The intervention of Nigerian buyers generally increased the added value created in the coconut value chain in the coconut districts of south-west Ghana.



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Less Positive Impacts: Added Value Accruing to Intermediaries. The only planters who benefited fully from the higher prices were those who could make their own deliveries to the Nigerian collection points. For the others, the added value was captured by the intermediaries operating between the Nigerian buyers and the Ghanaian planters, locked into debtor-creditor relationships. In the end, only one-third of planters have reaped the benefits, while two-thirds have gained little from the Nigerian market. Moreover, this limitation on the price effect, along with the advancing age of most planters, has considerably constrained investment capacity and renewal of plantations. Here, we encounter the paradigm so often seen in family plantations: planters who own old trees are themselves too old to invest in replanting, and the young people that would have the energy for this work have little or no access to land.

In addition, the demand from Nigeria has sparked theft of coconuts and generational conflicts. In the absence of land or alternative employment, young people are tempted to steal coconuts from their fathers' plantations and sell them to the Nigerians. This could be considered to be a "redistribution of income" between age groups, but this income is rarely reinvested.

Finally, as the Nigerian export/import channel prospers and supply dwindles, local coconut oil processors are collapsing. This has resulted in the loss of about two-thirds of oil processing and sales jobs.

Regional Integration and its Unwanted Side-Effects. In this example, we can see that Nigeria plays its role as the regional giant, hungry for staple foodstuffs and, at least at first glance, able to support agriculture in neighbouring countries. It is quite likely that the effects of this coconut chain have been underestimated in national statistics, for Ghana and Côte d'Ivoire in particular. This value chain, that stretches across the forest regions to the savannah and the Sahel, illustrates the extent to which the "absence of regional integration" denounced by some experts is in part due to ignorance of the informal economy on the subcontinent.

At the same time, this demand from the Nigerian giant also has unwanted effects on Ghana. It remains to be seen whether this form of regional integration can save and renew coconut growing in neighbouring countries. These aspects must be taken into account in public policy and in talks between the States of West Africa. ▪

3. They do not give loans and do not buy at the plantations themselves, instead taking delivery of dehusked coconuts at their purchasing centres.

News from Inter-réseaux

Grain de sel

The subjects of upcoming special reports to be published by *Grain de sel* (GDS) in 2011 have been selected by the Board of Directors according to the suggestions made by the editorial committee. The topics covered will be:
– grains (June);
– land tenure (September).

Readers are encouraged to make their own suggestions and propose articles on these topics (see the back cover for details on submitting articles).

The results of the survey of GDS readers carried out in 2010 will be presented in GDS No. 52.

Newsletters, Summary Papers and Website

The most recent newsletters published in 2010 were devoted to the following subjects:
– rural land policy
– analysing and documenting international development experience
– Nigeria.

They can be found online. Subscriptions are also available through the website www.interreseaux.org. E-newsletters will continue to be distributed on a twice-monthly basis in 2011.

New newsletter categories have been launched or will soon be added to the publication roster. The topics covered include:
– special newsletters on Farmers' Organizations (FOs), covering documents that are directly useful to these organizations (2 issues were published in late 2010 and 4 are forthcoming in 2011)
– six- to eight-page summary papers that present specific topics; in 2011, they covered:
  a. FOs' involvement in decision-making processes,
  b. grain in West Africa,
  c. land tenure,
  d. agriculture financing.

We would also like to inform our readers that special sections on Nigeria and Mauritania are available on the Inter-Reseaux website.

Working Groups

Inter-réseaux and its partners have produced four factsheets on agricultural policy issues in West Africa, with funding from the Comité Français pour la Solidarité Internationale (CFSI) and the Fondation de France. The first of these, written by Initiative Prospective Agricole et Rurale (Senegal) discusses instruments used to finance agricultural policies. The three other titles, written by Daouda Diagne, make up a series entitled "Les organisations paysannes dans la négociation des politiques agricoles en Afrique de l'Ouest et au Sénégal: connaître, comprendre, agir": http://www.inter-reseaux.org/ressources-thematiques/politiques-agricoles/article/les-organisations-paysannes-dans

In the second half of 2010, Inter-réseaux joined with the Groupe de Recherche et d'Échange sur les Marchés Agricoles (GREMA) to lead a seminar on market regulation held at the French Ministry of Foreign and European Affairs on 1 December 2010. In connection with this seminar, Inter-réseaux drew up a summary of field surveys conducted in Burkina Faso, dealing with the strategies adopted by the actors in Burkinabe value chains when confronted with volatile prices. This document can be consulted on the Inter-réseaux website at: http://www.inter-reseaux.org/ressources-thematiques/article/note-de-synthese_impact-de-la

Capacity Building in Agricultural Organizations: The PAAR Network (Projet de Renforcement des Capacités des Réseaux d'Organisations Agricoles en Matière de Politiques Agricoles, Alimentaires et Rurales)

The PAAR network issued a call for capitalisation projects in early 2010. Eight subjects have been selected and will be published on the Inter-réseaux website in French and in English. Three dossiers are currently available:
– Niger's Rural Code (Association pour l'Amélioration de la Gouvernance de la Terre, de l'Eau et des Ressources Naturelles, E-Sud Développement, Association pour la Redynamisation de l'Élevage au Niger, LandNet West Africa);
– Grain Prices in Burkina Faso, Mali and Niger from 2001 to 2010 (Afrique Verte International network);
– Productivity of Family Farms in Senegal (Fédération des ONG du Sénégal, FONGS).

Inter-réseaux was invited to participate in the international forum on the theme "How can family farms feed Senegal?" that was organised by FONGS and CNCR in Dakar in late November, building on, among other things, the information gathered for this document.

Executive Secretariat and Association Affairs

Nathalie Boquien finished her contract with Inter-réseaux at the end of December and went to work for Terre de Liens, a non-profit group that focuses on farmers and land issues in France. She has been replaced by Vital Pelon (vital.pelon@inter-reseaux.org). Trained in political science, Vital worked for Agriculteurs Français et Développement International (AFDI) in Madagascar for four years (2005-2009). An important part of his work involved support for the SOA network, a national FO that is one of AFDI's partners. In 2010, he continued his career in a consulting firm.

In the first months of 2011, an evaluation of Inter-réseaux Développement Rural will be carried out to assess the progress made and establish a strategic direction for 2012-2016. The team of evaluators will contact selected members of the network for this survey.

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Inter-réseaux in Brief

INTER-RÉSEAUX Développement rural was founded in 1996 by a group of individuals committed to rural development, with support from the French government. Its aims are as follows:

– enable stakeholders in the South to participate in the construction of national and sub-regional agricultural policies, with access to information and a network for exchange and discussion of rural development issues;
– coordinate and strengthen a network for discussion and exchange to share thinking and experience among the stakeholders in rural and agricultural development in French-speaking countries;
– provide support for stakeholders in developing countries (principally in French-speaking Africa) as they work to promote smallholder agriculture in the context of globalisation.

Our Convictions: Inter-réseaux is based on the belief that by learning, comparing and freely discussing multiple experiences, by bringing together people of different professional and geographic backgrounds, working in a variety of fields, who share a commitment to rural development in the South, all stakeholders can better their professional practices to address complex national and international issues. By constituting a network, sharing thoughts and circulating information widely, we can construct and propose development policies and practices that take into account the interests of those most directly affected.

Our Strengths: Inter-réseaux is made up of more than 6,000 members drawn from farmers' organizations, NGOs and the civil services, in the North and in the South. Inter-réseaux's activities rely upon the dynamic involvement of the network's members.

Your Magazine: *Grain de sel*

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Write an article for *Grain de sel*. React to an article. Give a testimonial. Share your opinion. Enter the debate. You can, and it is easy to do.

Grain de sel always welcomes input from all its readers. All you have to do is to send us your letters, remarks and contributions, whether individual or collective, at secretariat@inter-reseaux.org

We welcome contributions of all types and formats, as long as we can make use of them in a variety of ways—1- or 2-page articles, sidebars, web content, etc. You can also suggest topics to be covered in greater detail, by e-mail, postal mail, text message or telephone at +33(0)6 20 79 21 38

For prospective authors: One page in *Grain de sel* represents 4,000 characters (including spaces), two pages 8,000 characters. The number of characters in a text can be calculated using the Tools menu and statistics command in Word software. The editorial staff are available to accompany authors in a number of ways, do not hesitate to contact them at *Grain de sel*.

Sometimes, it may not possible to publish an article immediately. When this happens, we will propose a later date or publication on our website www.inter-reseaux.org

Looking for an article from a previous issue of Grain de sel*?*

Back issues of *Grain de sel* are available on the Inter-réseaux website (www.inter-reseaux.org/revue-grain-de-sel/). You will also find the articles in the most recent thematic issues:

– No. 50: Special Issue on Farm Leaders;
– No. 49: Agriculture and Climate Variability: From Field to Policy;
– No. 48: Farm Mechanisation and Agricultural Machinery in Africa: Between Myth And Reality...

Upcoming Issues

The subjects to be covered in our next issues are:

– No. 52: Seeds;
– No. 53-54: Grain in West Africa;
– No. 55: Land Tenure and Access.

Each issue also includes coverage of initiatives, topical debates on subjects of interest, readers' reactions and comments on earlier publications, and the regular feature "Repères" (Benchmarks).

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