

# Global Trade Policies and the Nigerian Agricultural Development Agenda

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# Introduction

That:

Global trade policy regime is supposedly installed on the notion of ‘comparative (cost) advantage; which means the ability of an country to produce a particular good or service at a lower opportunity cost than another, thereby processing a measurable propensity or potential to trade in that commodity with the other to its own advantage

Focus: Role of WTO as a rule based superintending world body for multilateral trade arrangements: order and maximizing benefits from global trade

- Customs procedures ; Trade policy uncertainty; International trade agreements; Review of trade policies; Trade restrictions on imported inputs; Home country trade policies
- Encumbrances:
  - Willful noncompliance with trade rules e.g. the rule of origin;
  - Fraudulent noncompliance with manufacturing standards and other unfair trade practices (hidden subsidies, false advertisements, deceptive or incorrect pricing, etc.
  - Collusive exploitation or marginalization of developing countries Unlawful practices such those that violate customer’s protection, dumping, among other debilitating factors.

# Section 1

## Impact of Global Trade Policies on Critical Items on Nigerian Agricultural Development Agenda

◆ Critical Items on Agenda are:

- ❖ *Policy landscape,*
- ❖ *Technology progress*
- ❖ *Governance regimes*



# Policy Template

Table – Policy Landscape for Nigerian Agricultural Development

Perspective Plan Framework	Medium Term Development Plan Framework	Agricultural Policy Framework	Implementation Strategy Framework	Annotation
The colonial 'Ten Year Plan of Development and Welfare'				
Medium-term Development Plans for Nigeria	First National Development Plan 1962-68			<ul style="list-style-type: none"> <li>Plan targets - 15% saving of GDP by 1967, 15% annual investment of the GDP and minimum of 4% growth rate of GDP;</li> <li>Plan implementation abruptly truncated by the breakout of civil war in 1966;</li> <li>Highest of plan was accorded agriculture, industry and training</li> </ul>
	Second National Development Plan 1970-74		National Accelerated Food Production Project (NAFPP)	<ul style="list-style-type: none"> <li>Plan objectives - self-reliance and self-sufficiency in food.</li> <li>Plan objectives: 'a united, strong and self-reliant nation', 'a great and dynamic economy', 'a just and egalitarian society', 'a free and democratic society', etc.</li> <li>Plan launched against the background of the need to remove the war effects, through the adoption of the three 'Rs'— rehabilitation, reconciliation, and reconstruction</li> </ul>
	Third National Development Plan 1975-79		OFN; ADPs; RBDAs	<ul style="list-style-type: none"> <li>Launched at the height of the oil boom, during which foreign exchange was not a serious constraint</li> <li>Sufficient provisions for the importation of the</li> </ul>

# Context 1: Food Balance Sheet

**Table 1 – Food Balance for Nigeria (Production – Consumption) of Selected crops, 2008-2018**

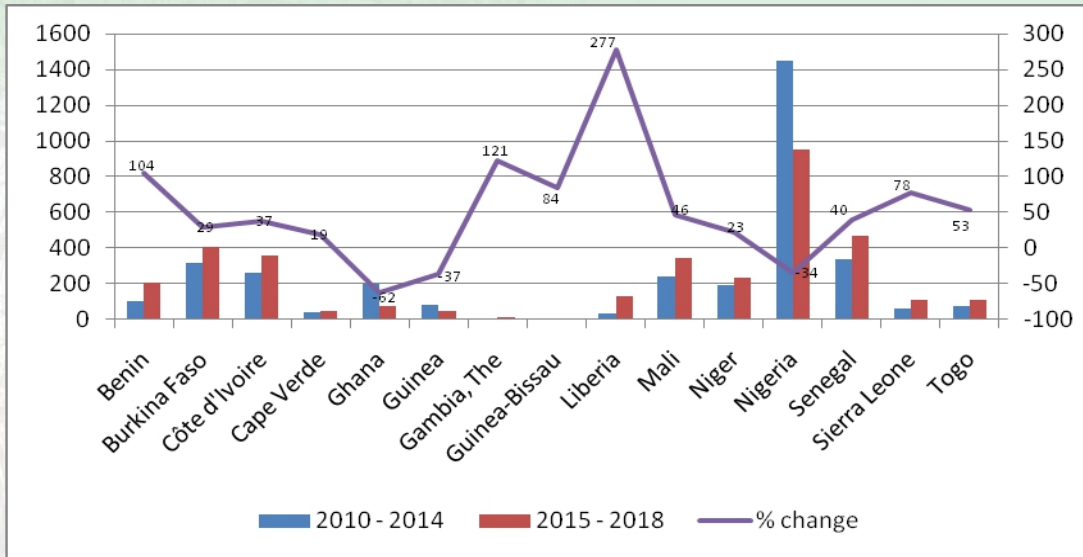
Year	Milled Rice (1000MT)	M i l l e t (1000MT)	M a i z e (1000MT)	S o r g h u m (1000MT)	S o y b e a n s (1000MT)
2008	(1,712.60)	-	25.00	68.00	18.00
2009	(2,222.25)	(0.05)	(41.74)	79.17	(26.41)
2010	(2,116.49)	0.43	76.85	90.97	(54.92)
2011	(2,832.43)	0.37	(21.54)	40.15	(6.15)
2012	(2,440.24)	(0.30)	(105.10)	43.11	95.00
2013	(2,906.00)	(0.44)	(77.33)	42.27	(57.04)
2014	(2,498.30)	(0.33)	158.97	50.29	(152.19)
2015	(2,646.26)	0.39	(37.95)	100.03	(271.48)
2016	(2,161.57)	(0.42)	147.98	206.08	(499.37)
2017	(2,935.38)	-	(680.00)	(11.00)	(334.00)
2018	(2,914.40)	121.74	(1,144.97)	112.34	(368.97)

Data Source: Underlying data from FAOSTATS (Isedu 2020)

**Fig 1:**

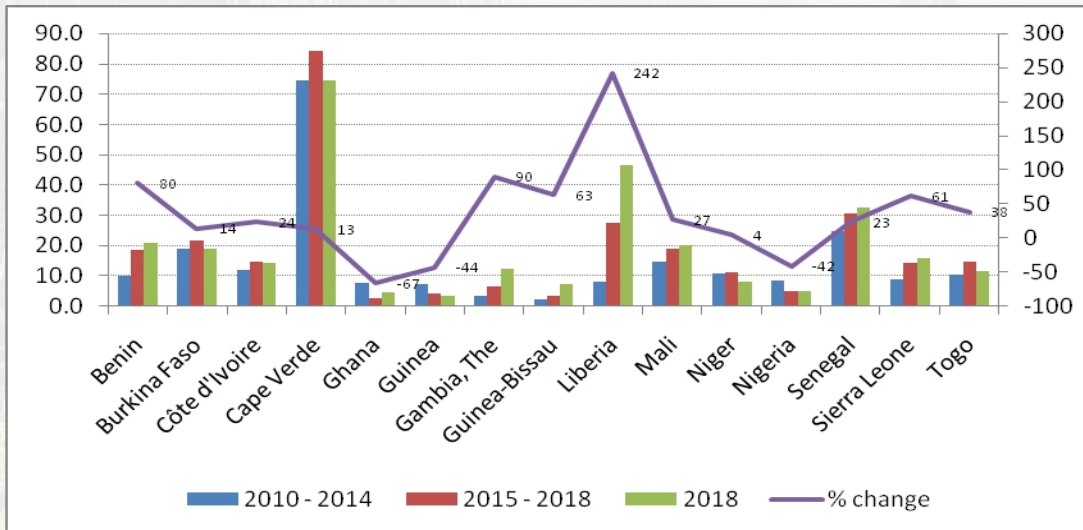
- ❖ ***That hunger looms large on Nigeria***
- ❖ ***That That food disaster preparedness is low***
- ❖ ***Other Facts about Nigeria's food situation:***
  - ...
  - ...
  - ...

# Context 2: Relative Performance



**Figure 1: Total government expenditure on Agriculture (Constant 2010 US\$, Millions)**

Source: ReSAKSS database (ReSAKSS (2019))



**Figure 2: Per capita government expenditure on Agriculture (Constant 2010 US\$, Millions)**

Source: Based on ReSAKSS database (ReSAKSS (2019))

In absolute terms Nigeria spends far more on agriculture than other countries of West Africa, in per capita terms Nigeria spends far less.

Nigeria spends less than prescribed standard of Maputo/Malabo Declaration

# Outcomes of Policy Landscape for Nigerian Agricultural Development Agenda

Conflicts of global trade policies with Nigeria's development objectives:

Tradeoffs between the two sets of objectives:

- ◆ **Increased magnitudes of food self-sufficiency attained by the country was also accompanied by increased dependency of the country on other countries of the world for farm input imports, expatriate personnel and foreign capital.**



# Outcomes of Policy Landscape for Nigerian Agricultural Development Agenda

Character of agricultural technology:

Nature and types of available inputs (e.g. seed, fertilizer, chemicals, tools, machines, farm power, etc.)

Ways and means in which they are combined (e.g. land-fertilizer ratio, labour-machine ratio, etc.). E.g.:

- i) Technology of land preparation;
- ii) Technology of planting, seed and seedling, iii) Technology of farm management practices;

High-cost outputs resulting therefrom cannot be competitive with low-cost output of similar products of other countries.

iv) Technology of harvesting; and

Terms of trade in agricultural products remains permanently unfavourable to Nigeria notwithstanding the huge resource potentials that exist in the country.

v) Technology of on-farm haulage, processing and storage.

Thus, coupled with unfair trade practices and manifest marginalization of the country in food and agriculture trade, the sector has little or nothing to offer other countries on the world stage.



# Governance Environment as it governs

Six Indicators of Policy  
Governance:

Voice and Accountability,

Political Stability and  
Absence of Violence,  
Government Effectiveness,

Regulatory Quality,

Rule of Law, and Control of  
Corruption

An assessment of 200 countries of the world shows that Nigeria ranks low on all scores

- Constitutional noncompliance
- Policy instability and inconsistency
- Weak participation and inclusiveness etc.

## Section 2

# Proximate Determinants of Benefits of Global Trade Policies Accruing to Nigerian Agricultural Development Agenda

**Proximate Determinants are:**

- *Philosophical Orientation*
- *Imperative for Export Promotion and Regulation*
- *Role of infrastructure*

# Conclusion and Recommendations

1. At one end of the nexus of global trade policies and Nigerian agricultural development agenda, the role of WTO is often encumbered with unfair trade and sharp practices that prevents the country from benefiting from multilateral trade agreements. At the other end of the nexus, Nigeria on its own volition is unfavorably disposed to maximizing benefits accruing from global trade, owing to aberrant policy landscape for agricultural development, sluggish technology progress and poor governance environment for investment to take place.
1. In the final analysis, the magnitude of benefits from global trade policies accruing to Nigeria is subject to philosophical re-orientation of agriculture sector, increased promotion of exports of food and fibre as well as greater efforts to revamp and revitalizing rural infrastructure in the country. Data needs/Tables:





***THANK YOU***