



A Report on Making a Case for Smallholder Farmers in Nigeria

**International Foundation
for Sustainable Peace
and Development**





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ABOUT IFSPD:

IFSPD is an international non-governmental non-profit organization, established in 2009 by the initiative of distinguished intellectuals, scientific and public figures, diplomats, representatives of influential non-governmental organizations from across the world.

IFSPD represents a civil society initiative for launching common actions and strengthening peace, dialogue, harmony and cooperation between the countries of the wider Black Sea – Caspian Sea region in the field of enhancing democratic process, consolidation of civil society, economic development, environment, science, education, innovative technology, cultural diversity, tolerance and dialogue among civilizations.



Author

Charles Chimdiya Asiegbu is a senior policy, research and data analyst with over six years of professional experience in policy, research, administration and development. He currently works as a policy research analyst at the Nextier Group, an international development consulting firm that helps shape evidence-based policies, programming, and performance evaluations.

An essential part of his work in Nextier is to lead the two-year-old Nextier SPD Violent Conflict database, where he scrapes, analyses designs and publishes the Nigeria Conflict Trend. The database tracks local and international media-reported security incidents in Nigeria. This project's importance is using data on violent conflict occurrences around Nigeria to give insights in an easy-to-understand way. The government, implementing partners, citizens, and critical stakeholders are guided on how insecurity negatively impacts Nigeria, especially vulnerable communities.

He is a member of three (3) impactful professional fellowships in Nigeria and the world. First is the Open Minds, Young Voices fellowship (OMYV) organised by Friedrich Ebert Stiftung Nigeria. Second is the Nigerian Economic Summit Group (NESG). The third is the Young Innovation Leaders Fellowship

Charles is also a founding member of the Young Professionals in Policy and Development (YouPaD). This youth-led non-governmental organisation equips young people with the right tools to progress in governance, climate change, entrepreneurship and overall development. He is currently volunteering to help implement the Friedrich Ebert Stiftung-funded Agora by YouPaD. This dialogue series brings young professionals together to discuss topical issues and advocate for a better society.



Background:

Agriculture significantly contributes to Nigeria's Gross Domestic Product (GDP).¹ In 2019, the country's GDP grew by 2.27% (from N69.80 trillion in 2018 to N71.39 trillion in 2019), and the growth was mainly due to the contributions of the agricultural sector (N10.50 trillion), trade sector (N5.94 trillion) and the information and communication sector (N4.66 trillion).² In 2020, the agricultural sector accounted for 24% of Nigeria's GDP, while the oil sector accounted for less than 9%. The agricultural sector's contribution to the national GDP was 25.88% per cent in 2021, while that of the oil sector remained under 10%. Agriculture has proven to be the most valuable contributor to Nigeria's economic growth in recent times. Nigeria's agricultural sector accounted for nearly 35% of total employment in 2019 and 2020.³ Over 70% of Nigerians currently engage in agriculture, but mainly at the subsistence level.⁴

Smallholder farmers play a dominant role in this contribution. However, they do not receive recognition and assistance. Smallholder farmers account for 80% of Nigerian farmers and produce about 98% of the food consumed in Nigeria except for wheat.⁵ Yet, they are the poorest in Nigeria's agricultural sector due to a history of underinvestment.⁶ Smallholder farmers who are women suffer the most. Women are five times less likely than men to own land and lack the financial means to purchase farming equipment and services. This essay argues that smallholding agriculture is a harbinger of opportunities in Nigeria. It unearths the challenges faced by smallholder farmers and suggests potential solution options. Overall, the paper emphasises that the support for smallholder farmers is a pathway to sustainable and long-term contributions to Nigeria's economic growth.

¹ EA Journals. 2022. *A Review of Smallholder Farming In Nigeria: Need for Transformation - EA Journals*. [online] Available at: <<https://www.eajournals.org/journals/international-journal-agricultural-extension-rural-development-studies-ijaerds/vol-3-issue-2-may-2016/review-smallholder-farming-nigeria-need-transformation/>> [Accessed 7 September 2022].

² Adeite, A., 2022. *Agriculture in Nigeria: 7 Interesting Facts & Statistics | Babban Gona*. [online] Babban Gona. Available at: <<https://babbangona.com/agriculture-in-nigeria-7-interesting-facts-statistics/>> [Accessed 7 September 2022].

³ Ibid

⁴ Fao.org. 2022. *Nigeria at a glance | FAO in Nigeria | Food and Agriculture Organization of the United Nations*. [online] Available at: <<https://www.fao.org/nigeria/fao-in-nigeria/nigeria-at-a-glance/en/>> [Accessed 7 September 2022].

- ⁵ Mgbenka, R. and Mbah, E., 2022. *A Review of Smallholder Farming In Nigeria: Need for Transformation - EA Journals*.

[online] EA Journals. Available at: <<https://www.eajournals.org/journals/international-journal-agricultural-extension-rural-developmentstudies-ijaerds/vol-3-issue-2-may-2016/review-smallholder-farming-nigeria-need-transformation/>> [Accessed 3 June 2022].

- ⁶ Ibunge, B., Addeh, E., Nwezeh, K. and Elumoye, D., 2022. *Scaling the Impact of Smallholder Farmers –*

THISDAYLIVE. [online] Thisdaylive.com. Available at: <<https://www.thisdaylive.com/index.php/2022/04/06/scaling-the-impact-of-smallholder-farmers/>> [Accessed 8 September 2022].

Who is a Smallholder Farmer?

A producer who rears livestock or cultivates crops on a small scale is known as a smallholder farmer.⁷ A farm smaller than 10 hectares is considered small by international standards.⁸ Since many smallholder farmers depend on family members' labour to meet their production demands and because they often keep some of their harvest for household consumption. They are often described as family farmers. Smallholder farmers, sometimes known as "small-scale farmers," comprise those who rent and own the land they cultivate.

Challenges Faced by Smallholder Farmers

• **Limited Access to Markets:** Market access for smallholder farmers means the ability to acquire farm inputs and farm services and the capacity to deliver agricultural products to buyers.⁹ However, smallholder farmers often face several constraints in accessing available markets. This limited access harms their livelihoods and level of progress.¹⁰ According to a study, the significant constraints limiting farmers' access to markets include the lack of access to resources, cost of transport to marketplaces, poor infrastructure and poor farmer support services.¹¹

• **Weak Policy Support:** The repeated failures of Nigeria's agricultural programmes have exposed the inherent weakness of that country's agricultural policies and the incapacity of its many administrations to address the core issues affecting the development of the agricultural sector.¹² Although specific measures are designed to enhance small farmers' opportunities, there is a fundamental mismatch between policy aims and their execution. As a result, sometimes, the government's efforts do not accurately reflect its dedication to the welfare of smallholder farmers. For example, a report by the National Bureau of Statistics (NBS) shows that in the first quarter of 2019, a total of N15.2

⁷Heifer International. 2022. *What is a Smallholder Farmer?* [online] Available at: <<https://www.heifer.org/blog/what-is-a-smallholder-farmer.html>> [Accessed 6 September 2022].

⁸ Ibid

⁹ Sennuga, O., 2021. *CONSTRAINTS FACING SMALLHOLDER FARMERS' ACCESS TO MARKET: THE CASE STUDY OF KADUNA STATE, NIGERIA*. [online] African Journal of Agricultural Research. Available at: <https://www.researchgate.net/publication/354362293_CONSTRAINTS_FACING_SMALLHOLDER_FARMERS_ACCESS_TO_MARKET_THE_CASE_STUDY_OF_KADUNA_STATE_NIGERIA> [Accessed 8 September 2022].

¹⁰ Uwaoma, P., 2022. *THE STRUGGLE OF FARMERS IN NIGERIAN AGRICULTURE - eFarms Blog*. [online] eFarms Blog. Available at: <<https://efarms.com.ng/blogs/2018/05/05/farmers-struggle-agriculture/>> [Accessed 7 September 2022].

¹¹ Ibid

¹² Core.ac.uk. 2012. *Lessons from Agricultural Policies and Programmes in Nigeria*. [online] Available at: <<https://core.ac.uk/download/pdf/234649564.pdf>> [Accessed 8 September 2022].

trillion loans were disbursed, with agriculture getting only N638 billion in a nation that primes its diversification plan on Agriculture and solid minerals.¹³

• **Land Rights:** Most smallholder farmers in Nigeria lack secure land tenure.¹⁴ Land acquisition is a critical issue because of the unplanned and weak regulatory frameworks that undermine the effort of smallholders.¹⁵ In Nigeria, obtaining certificates of occupancy is characterised by bureaucratic bottlenecks, high registration fees and perpetual payment of levies and taxes.¹⁶ Additionally, bad land management hinders growth and security by creating slums and unfavourable living circumstances. Moreover, land tenure is still governed by outdated customary laws, particularly in rural Nigeria. Worse still, there is limited tenure security because some land market transactions are informal and unsupervised.

Support for Smallholder Farmers

Leverage Digital Solutions, Financing, Technology, and Technical Inputs: Smallholder farmers can benefit from various opportunities created by digital technologies, including improved resource efficiency and access to new, more lucrative markets. There is proof that utilising digital technologies to change farm operations directly improves farmer income. For instance, when farmers in India gained access to critical information and advisory services on their mobile phones, their revenues improved by \$100 annually, with an estimated cost-benefit ratio.¹⁷ In Nigeria, there are opportunities to scale the efforts of smallholder farmers to meet their production and supply targets. Smallholder farmers can assess financing, relevant technology, and technical inputs with the proper support and guidance. For example, USAID awarded Thrive Agric Startup a \$1.75 million grant to aid smallholder farmers. This grant would benefit about 50,000 Nigerian smallholder farmers.¹⁸ These cannot be achieved without

increased and strategic technical support from government and international agencies.

Capitalise on the Gains of the Plant Variety Protection (PVP) Act 2021: The introduction of the Plant Variety Protection (PVP) Act 2021 in Nigeria will provide intellectual property protection for smallholder farmers.¹⁹ Following several months of deliberation, The PVP Bill

¹³ Blueprint. 2022. *Nigerian banks and smallholder farmers lack access to credit.* [online] Available at: <<https://www.blueprint.ng/nigerian-banks-and-smallholder-farmers-lack-of-access-to-credit/>> [Accessed 8 September 2022].

¹⁴ Ibrahim, K., Hendriks, S. and Schönfeldt, H., 2022. *The effect of smallholder land tenure on child malnutrition in Nigeria.* Science Direct.

¹⁵ Intechopen.com. 2019. *Land Acquisition and Use in Nigeria: Implications for Sustainable Food and Livelihood Security.* [online] Available at: <<https://www.intechopen.com/chapters/63289>> [Accessed 8 September 2022].

¹⁶ Ibid

¹⁷ Gsma.com. 2022. *Digitalising rural MSMEs: Thailand's agriculture and tourism sectors.* [online] Available at: <https://www.gsma.com/mobilefordevelopment/wpcontent/uploads/2022/06/GSMA_CIU_Thailand-MSME-Digitalisation_Jun2022.pdf> [Accessed 6 September 2022].

¹⁸ TheCable. 2021. *Thrive Agric receives \$1.75m grant to assist 50,000 farmers | TheCable.* [online] Available at: <<https://www.thecable.ng/thrive-agric-receives-1-75m-grant-to-assist-50000-farmers>> [Accessed 8 September 2022].

¹⁹ Thisday. 2021. *'Plant Variety Protection Bill Will Improve Food Security'.* [online] Available at: <<https://www.thisdaylive.com/index.php/2021/05/10/plant-variety-protection-bill-will-improve-food-security/>> [Accessed 3 June 2022].

was passed by the Nigerian House of Representatives on December 17th, 2020, and by the Nigerian Senate on March 3rd, 2021.²⁰ This act incentivises farmers to create new varieties to support long-term advancement in agriculture as farmers and enthusiasts cooperate to produce new plant kinds. In addition, this law is required to safeguard farmers' investments in growing plants that are affordable, high-quality, and marketable. This way, there are no gaps in trust between farmers and investors.²¹ Furthermore, this development offers an opportunity for advisory services and advocacy from the government and development partners to propel the efforts of both farmers and investors.

Policy and Institutional Support: To achieve food sovereignty, policymakers in Nigeria should collaborate with development partners to empower smallholder farmers whose farming approach is rudimentary. Policies that safeguard smallholdings' interest, such as granting a percentage of agricultural exports and improving access to loans, will secure food production and reduce poverty.²² Investments in irrigation and water management equipment like drip and sprinkler irrigation systems are a credible way of ending food shortages.²³ These methods ensure water is placed directly into the root zone to minimise evaporation. Again, agricultural practice in Africa has remained chiefly glued to inherited generational methods that slow production while efficient innovations increase productivity.²⁴ Committing resources to science, research, and development is another approach that will ensure food sustainability. Implementing the pillars of land management, rural infrastructure, and technology is a sure way to realise this strategy



Conclusion

According to a study by the Alliance for a Green Revolution in Africa, millions of small enterprises in Africa source their products directly from smallholder farmers.²⁵ Some include food processors, wholesalers, retailers, transport, and logistics. The opportunities are limitless for both the government and private sector to enhance the abilities of smallholder farmers.

Nigeria is vulnerable due to its continued reliance on oil. Apart from the decline in oil prices detrimental to Nigeria's budget, the globe is shifting away from fossil fuels to clean, and

²⁰ Guardian.ng. 2021. *NESG applauds new Plant Variety Protection Act 2021*. [online] Available at: <<https://guardian.ng/news/nesc-applauds-new-plant-variety-protection-act-2021/>> [Accessed 8 September 2022].

²¹ Daily Trust. 2021. *Understanding the plants varieties protection Act 2021*. [online] Available at: <<https://dailytrust.com/understanding-the-plants-varieties-protection-act-2021>> [Accessed 8 September 2022].

²² worldbank.org. 2003. *LAND POLICIES for GROWTH and POVERTY REDUCTION*. [online] Available at: <https://documents1.worldbank.org/curated/en/485171468309336484/310436360_20050007001644/additional/multi0page.pdf> [Accessed 8 September 2022].

²³ YouPaD. 2021. *ATTAINING FOOD SECURITY IN AFRICA*. [online] Available at: <<https://youpad.org/attaining-food-security-in-africa/>> [Accessed 8 September 2022].

²⁴ Ibid

²⁵ Ifpri.org. 2022. *How small businesses are driving growth across African agriculture*. [online] Available at: <<https://www.ifpri.org/blog/how-small-businesses-are-driving-growth-across-african-agriculture>> [Accessed 3 June 2022].



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