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Growth Enhancement Scheme (GES) of the Nigerian Agricultural Transformation Agenda : Looking back and thinking ahead

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ABSTRACT

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This paper aims at critically reviewing the performance of the Growth Enhancement Scheme (GES) of the Agricultural Transformation Agenda and subsequently sheds some light towards a policy path to the future of the scheme. The Government of Nigeria now has new policy document and has pledged to build on the success of the previous agricultural policy. In line with the need for policy stability and continuity, this paper is focused on interpreting and analyzing relevant data on the implementation of the GES scheme and eventually communicating the results to decision makers on the way forward. The analysis made ample use of academic research and also took into consideration different positions of interest groups and stakeholders involved in the GES scheme with special reference to their roles in the implementation of the scheme. The GES scheme is an effective attempt at relieving government of the role of procurement of agro-inputs and consequently building a viable network of commercial agro-input dealers who directly supply the subsidized inputs to farmers to boost agricultural production. Recommendations are made to ensure that the scheme as a policy does not suffer reversals.

Introduction

In a bid to reduce poverty and promote food security through agriculture sector development, successive governments in Nigeria have enunciated several schemes, policies and programmes. One of the programmes is the Fertilizer Subsidy Scheme (FEWSNET, 2007). Nigeria has been implementing large-scale fertilizer subsidies since the 1970s with the broad objective of promoting agricultural productivity. The fertilizer subsidy programme has been characterized by high level of policy inconsistencies, ambiguities and instabilities (IDEP, 2011). The gains of the subsidy are not widely spread among the targeted beneficiaries (Kabir, 2014). According to Grow Africa (n.d.), between 1980 and 2010, fertilizer supply was the single largest expenditure item out of 179 items in the federal capital account. It consumed more than 56% of federal government capital

spending on agriculture (Mogues, et. al., 2010) with over 873 billion naira (\$5.4 billion) spent on fertilizer subsidies. In spite of the huge fiscal burden to the government, actual use of fertilizer by actual farmers was very low. A key characteristic of the old system of fertilizer subsidy was the near monopolistic role of the state in fertilizer delivery. That was the picture before the introduction of the GES scheme.

In 2010 / 2011, the Government of Nigeria, began to reform the agriculture sector through the implementation of a strategy, called the Agricultural Transformation Agenda (ATA). The Federal Government implemented ATA through a set of complementary programme interventions which aimed to solve, in a holistic and integrated manner, the constraints and weaknesses that have held down agricultural



development for a long time. The ATA sought to grow and develop agriculture as a business and thereby creating jobs, assuring food security, promoting private sector investments for wealth creation and maximizing agriculture sector contribution to the country's economic growth.

As a vital component of the Agricultural Transformation Agenda (ATA), the Growth Enhancement Support (GES) scheme was designed to encourage the critical actors in the input sub-sector to work together to improve productivity, household food security and enhance income of the farmers (Anon, 2012). The Growth Enhancement Scheme provides a unique connecting link as it targets the farmers directly and supplies them with critically needed modern farm inputs on real-time basis.

According to FMARD (2016), the Agricultural Transformation Agenda, ATA was in place from 2011 – 2015. In 2013, in order to provide informed and evidence-based contributions for improving the performance of the ATA scheme and correcting any shortcomings, APRNet, a stakeholder-based not-for-profit organization devoted to bridging the gap between research, policy and enterprise in agricultural and rural development, hosted a blog discussion on the GES scheme. The observations, comments and recommendations in the blog discussion were synthesized into APRNet Blog Discussion Summaries and channeled as APRNet inputs into the decision-making and programme monitoring processes of the Federal Ministry of Agriculture and Rural Development. Relevant portions of the APRNet were called into the discussion of the present status of the GES scheme.

The Government of Nigeria now has new policy document which focuses on how to build on the initial progress made under the ATA, and consequently elevate Nigeria to a higher pedestal especially in terms of agribusiness performance. One of the challenges inherent in

the Nigerian agricultural system is policy instability. According to FMARD (2016), policy instability results from high rate of turnover of programmes and personnel, which in turn gives rise to unstable application of policy instruments. The new policy regime, tagged the Agriculture Promotion Policy (APP) is founded on agriculture as a business, a carryover from the ATA reflecting the strong desire for policy stability. In line with the need for policy stability and continuity, this paper focused on interpreting and analyzing relevant data on the implementation of the GES scheme and eventually communicating the results to decision makers on the way forward.

The Government of Nigeria has found it necessary to clarify and effectively deny the rumored reversal of the GES scheme as claimed by the Kano State Government as it, the Kano State Government in 2015, procured fertilizers for its farmers (Anon, 2015). This paper brings to the fore the urgent and cogent need for the policy stability and continuity as they relate to building on the success stories, strengthening identified weaknesses and ultimately achieve food security. The study is also expected to shore up the confidence of the relevant stakeholders including present and prospective investors in the scheme.

Objectives of the Study

The aim of the paper is to critically review the performance of the Growth Enhancement Scheme (GES) of the Agricultural Transformation Agenda and consequently shed some light towards a policy path to the future of the scheme. The specific objectives are to:

- i. highlight the concept and objectives of the GES;
- ii. discuss the achievements of the GES from inception to the year 2015; and
- iii. identify the current status of the scheme.



Research Methods

The analysis made ample use of secondary data which included use of academic research and also took into consideration different positions of interest groups and stakeholders involved in the GES scheme with special reference to their roles in the implementation. The analysis was based on the objectives of the GES scheme, public/expert opinion polls such as the APRNet blog summaries, professional / academic journals, etc.

Results and Discussion

3.1 The Concept of the Growth Enhancement Support Scheme (GES)

In July 2012 the federal government introduced the Growth Enhancement Support (GES) scheme which was designed to deliver government subsidized farm inputs directly to farmers via GSM phones. The targeting of the farmers was based on the farmer registration exercise which was conducted throughout the country. The scheme was designed to move subsistence farmers from their high poverty level through market oriented/market surplus facilitated by Nigerian Incentive-based Risk Sharing for Agricultural Lending (NIRSAL) into a commercialized system that would facilitate trade and competitiveness. According to Grow Africa (n.d.), the GES was designed to break the cycle of in-efficient and ineffective fertilizer and seeds support delivery to the targeted beneficiaries. It was primarily aimed at divesting the procurement and distribution of agro-inputs from the state and thereby develop a private sector channel for input distribution.

The GES scheme was powered by Cellulant, an electronic distribution channel which provides an efficient and transparent system for the purchase and distribution of agricultural inputs. The scheme guaranteed registered farmers eWallet vouchers with which they could redeem fertilizers, seeds and other agricultural inputs from agro-dealers at half the cost, the other half

being borne by the federal government and state governments in equal proportions.

In a nutshell, the GES scheme operates thus: field agents (also called helpline staff) appointed by FMARD visit farmers at their wards and register them for the subsidy; data center digitizes the data and pass it on to Cellulant; Cellulant provides mobile technology to manage and monitor activities between the supplier, agro dealer, banks and farmers; FMARD and participating States contribute half of the support; Central Bank of Nigeria CBN confirms to FMARD that money is in Escrow and FMARD advises CBN to move money to GES trust accounts at commercial banks; Federal Ministry of Finance in MOU with banks and Federal Ministry of Agriculture and Rural Development provides guarantee on 70% of the credit provided by banks participating in the scheme; banks lend money to agro-dealers at a special rate for the GES programme; input suppliers appoint agro dealers they want to work with; Cellulant provides supplier with a user interface to manage agro dealers; Cellulant loads farmer wallet immediately money is in the trust accounts; farmers redeem within their LGA.

3.2 Goals of the Growth Enhancement Support Scheme (GES)

The goals of GES include the following:

- i. Target 5 million farmers in each year for 4 years that will receive subsidized electronic vouchers on their mobile phone directly totaling 20 million at the end of 4 years.
- ii. Provide support directly to farmers to enable the farmers procure agricultural inputs at affordable prices, at the right time and place.
- iii. Increase productivity of farmers across the length and breadth of the country through



increased use of fertilizer i.e. 50kg/ha from 13kg/ha.

iv. Change the role of Government from direct procurement and distribution of fertilizer to a facilitator of procurement, regulator of fertilizer quality and catalyst of active private sector participation in the fertilizer value chain

3.3 The Building Blocks of the GES

According to Grow Africa (n.d.), to achieve its goals, the GES was enabled by the following building blocks:

a. Development of a competitive private agro-dealer network saddled with the responsibility for timely delivery of quality inputs in adequate quantities. The selected and registered agro-input dealers were allocated to one or more government-owned or private warehouses designated as redemption centres. Each centre served some 3000 farmers.

b. Stimulating commercial banks to extend loans to agro-dealers through a credit-guarantee scheme of 50 billion naira. The credit guarantee scheme was operated by NIRSAL. According to Grow Africa (n.d.), NIRSAL was established to generate a \$350 million risk-sharing facility to reduce the risk of lending by banks to farmers and agri-businesses. NIRSAL focuses on guarantees rather than on placing credit/funds directly with banks, using a mix of incentives and penalties to shape financial system behaviour. The GES provided a closed loop system of lending to the agriculture sector in which funds were loaned to input companies, the GES facilitated the sale of the agro-inputs directly to the farmers and payment was effected partly from the subsidy and partly from commercial sales.

c. Registration of farmers in a national database: Before the GES, Nigeria had no database of farmers. Under the GES, the target was to

register 20 million farmers with 5 million farmers being registered each year for four consecutive years. Full time farmers with landholding of 3 hectares or less were eligible to register. According to Grow Africa (n.d.), it was challenging for farmers to declare accurately their land size because the land tenure system did not clearly delineate land owned or used. It was also not possible to verify whether a farmer was indeed a farmer.

d. Delivery of the e-wallet through an IT platform: Following registration, farmers received notification on their phone that the subsidized inputs were available for collection at a designated redemption centre and an authentication code was provided by SMS for presentation in return for inputs. Individual farmers registered on the national database were each entitled to a 50% subsidy on the price of two 20kg bags of fertilizer.

This arrangement was based on good nationwide network coverage and general ownership of mobile phones by farmers. According to Grow Africa (n.d.), neither nationwide network coverage nor general ownership of mobile phones was guaranteed. The Management Information System (MIS) of the GES which is managed by Cellulant provided a single registry of all registered farmers. The MIS provided the unique identification of participating farmers and thereby ensured that the right beneficiaries were receiving the input subsidies. It also provided accurate, secure and trusted information on the sales volume of the participating agro-input dealers to the farmers for reimbursement of the subsidy amount to the dealers. This enabled government to account for the expenditure of public funds on inputs for farmers. The system also played a key role in reconciliation and provided regular reports directly to FMARD.

According to Grow Africa (n.d.), at the end of the redemption cycle, agro-dealers were reimbursed from an escrow account held at the

Central Bank on behalf of FMARD. The reconciliation process involved: compilation by the state, and submitted to the federal government, of transactions from each redemption centre and request for payment copied to Cellulant; reconciliation of requests by Cellulant against the platform's electronic records; issuance of certificate to Agro-dealers confirming that input had been redeemed; Cellulant investigated any discrepancies; and discrepancies with a margin of more than 3% were investigated further.

The GES scheme sought to provide targeted support for seeds and fertilizers to 5 million farmers per year or 20 million farmers within four years. The twenty million farmers would be in four groups and the programme would also be in four phases as shown in Table 1.

Table 1 shows the four different groups and the number in each group, the phases and the different periods of the phases. The scheme was initially designed to span different time periods and phases. The GES was conceived to provide targeted subsidized supply of seeds and fertilizer to 20 million farmers within five years.

Table 1: Growth Enhancement Support Investment

Farmers Group	Phase	Period
Group 1 5 Million Target Farmers	1	2012-2015
Group 2 5 Million Target Farmers	2	2013-2016
Group 3 5 Million Target. Farmers	3	2014-2017
Group 4 5 Million Target. Farmers	4	2015-2018

Source: FMARD (2011).

Each year, five million farmers were to be targeted and each farmer group would receive the support for four years.

The funding arrangement of the GES scheme was such that the Federal and State Governments equally contributed the 50% of the approved subsidy amount for onward payment to participating inputs suppliers. All the participating states had an irrevocable standing order for their portion of the subsidy amount to be directly deducted from the statutory monthly allocation of the Federation Account as due. The Federal Ministry of Agriculture & Rural Development (FMARD) was the agency in-charge of the administration of the programme and had the responsibility of coordinating, managing and effecting the payment of the subsidy to all participating agro-inputs supplier.

3.2 Achievements of the GES

The achievements of the GES are discussed under the headings of the objectives which the scheme set out to accomplish. Let us first of all look at the objective of targeting 5 million farmers in each year for 4 years that will directly receive subsidized electronic vouchers on their mobile phone totaling 20 million at the end of 4 years. This objective can be broken down to the number of farmers registered while the scheme lasted, that is up to the year 2015; and the receipt of subsidized electronic vouchers.

3.2.1 Registration of Farmers

The GES created a database of registered farmers. The GES database contains some 10.5million farmers (FMARD, 2016). Nwalieji, Uzuegbunam, and Okeke (2015), in a study which assessed the growth enhancement support



scheme in Anambra State, Nigeria, found that the total number of registered farmers in 2012 was 106,598 while 5,022 farmers out of the registered farmers were given service delivery redemption, leaving a very low performance index of 4.7%. This implies that out of the total number of farmers registered in the scheme during 2012, very few redeemed their input. In 2013, the number of farmers that registered in the scheme, according to the study, rose to 199,901 giving a percentage increase of 87.5% from 2012-2013.

Grow Africa (n.d.), conducted smallholder farmers' community scorecards study of the GES scheme in seven states and Federal Capital Territory .Table 2 shows the number of number of registered smallholder farmers under the GES scheme for the seven selected states and the Federal Capital Territory in 2014.

Table 2: Number of smallholder farmers registered in the GES in selected states and FCT in 2014

Name of State	Number Farmers Registered under the GES
Ebony	173,075
Kwara	231,440
Ondo	142,117
Kogi	206,612
Gombe	397,200
Delta	201,463
Federal Capital Territory	110,642
Bauchi	611,769

Table 3 shows that not all the registered farmers benefited from the scheme in 2013 and 2014 in the selected states and the FCT. Seven States including the FCT experienced increase in the number of farmers who registered in the scheme and actually benefited from it in 2013 and 2014.

Ebony State recorded not only had a low registration figure but also experienced a decrease between 2014 and 2014 in the number of farmers who registered in the scheme and actually benefitted from the scheme in the stated years. Grow Africa (n.d.), did not specially state the reasons behind the trend in the number of those who registered and those who eventually benefited from the scheme in 2013 and 2014.

3.2.2 The receipt of subsidized electronic vouchers.

Adebo (2014) in a study titled Effectiveness of E-Wallet Practice in Grassroots Agricultural Services Delivery in Nigeria - A Case Study Of Kwara State Growth Enhancement Support Scheme found that 54% of the respondents benefited from the subsidized improved maize seed, 51% benefited from subsidized improved rice seed; 87.5% of the respondents each got 2 bags of fertilizer at subsidized rate, 20kg of improved seed of maize, and rice seeds. According to Adebo (2014), the benefits derived by the farmers from participating in e-wallet initiative are as follows: quickened accessibility to improved seed (80.0%), enabled access to fertilizer (87.5%), and subsidized farm input (97.5%) and renewed confidence in government programmes (67.5%).

According to Nwalieji, Uzuegbunam, and Okeke (2015), in a study on the scheme in Anambra State, 64,842 farmers out of 199,901 registered farmers received their coupons giving about 32% performance index in service delivery. It should be noted that electronic receipt of coupons does not in any way equate with actual redemption. The study further revealed that farmers redeemed 631bags and 68,668 bags of NPK in 2012 and 2013, respectively. Furthermore, farmers redeemed 61,017 bags of Urea fertilizer, 12,000 bags (12.5kg units) of rice, and 59,364 bags (10kg units) of improved maize seeds in 2013. No data was recorded in 2012.



According to Nwaobilala and Ubor (2016), arable crop farmers in Imo State stated that the e – wallet system enhanced timeliness of notification, increased responsiveness of staff in the distribution of inputs at the redemption centres.

Majority the farmers in Imo State stated that location of the redemption centres hampered easy redemption of the inputs especially fertilizer. It should be stated that redemption centres are created on the basis of farmers count. By default, the agro-service centres in the designated Local Government Areas are used as redemption centres. The challenge of location of redemption centres is more appreciated when it is realized that in a state such as Imo with 27 Local Government Areas and an estimated 200,000 registered farmers, five out of the designated 32 redemption centres and two agro dealers were earmarked for use in the 2016 exercise. This constraint was also reported in the APRNet blog discussion report of 2013 to the effect that most of the up-stream suppliers of agro-inputs do not have a national network of agro-dealers that can be relied upon for effective delivery of agro-inputs to every LGA/ward in Nigeria. As a result farmers, travel long and short distances several times to the distribution points for collection of inputs. In the views of FMARD (2016), there is still a gap between demand and supply of seeds for the GES.

At inception, the implementation of the scheme in Imo State suffered from some form of bureaucratic inertia that bordered on conflict of interest. Imo State government had in store some quantities of fertilizers of certified quality. So, in order to dispose of government stock of fertilizer, the agro-input dealers were requested by the state government to purchase their fertilizers from the State government. The agro-dealers refused and rightly too as the arrangement was somewhat beyond the mode of operation of the scheme. As a result, the state government reacted by instructing the Federal Government not to deduct the subsidy element

from its accounts. The State Government therefore opened a parallel fertilizer market that year.

Imo State government did not participate in the scheme in 2013. Interestingly, the implementation of the scheme was catalyzed by the Federal Ministry of Agriculture and Rural Development (FMARD) office in Owerri. This was achieved by mobilizing Cellulant Nig Ltd, a mobile commerce company that provides digital financial services and payment solutions, to train help line staff for more farmer registration and sensitize the agro-input dealers, for the operation of the scheme in 2013. The scheme managed to roll out in 3 out of the 27 centres in 2013 and without the subsidy component of the state government. There was low redemption because of low registration in 2013. The state government did not participate in 2014 as the 25% subsidy component was not released for the scheme. Not all the registered farmers redeemed the inputs. Those who were able to redeem the inputs did so without the 25% input component of the state government.

Tiri, Ojoko, and Aruwayo (2014), stated that the Growth Enhancement Support Scheme is an innovative approach to fertilizer subsidy and other input administration through electronic system that ensures that only registered farmers benefit through engagement of the private sector in the delivery and distribution of fertilizer and other input directly to the farmers. The study recommended an enabling legislation backing the scheme, and continuity of the programme without misplacing its priority.

3.2.3 Providing agricultural inputs to farmers to at affordable prices, at the right time and place

Progress in the provision of agricultural inputs to farmers under the GES scheme has been mixed. Table 3 shows the rating of farmers on eight performance indicators of the GES by small-scale farmers.



Table 3: Key performance Indicators of the GES programme as rated by smallholder farmers

Performance Indicator	Indicator 2013	Indicator 2014
Timing Of Input Delivery	2	2
Quality Of Fertilizer	5	3
Quality of Seeds (Rice and Corn)	4	2
Distance from farmer to Redemption Centre	2	2
Quantity of fertilizers redeemed	4	2
Quantity Of Seeds Redeemed	2	2
Cost Of Fertilizer	3	2
Cost Of Seeds	4	3

Table 3 shows that the timing of the input delivery remained poor across all the seven selected states namely Ebony, Kwara, Ondo, Kogi, Gombe, Delta and Bauchi; and the Federal Capital Territory. The quality of fertilizers dropped from very good to average in 2014. The quality of seeds offered to the farmers dropped from good to poor in 2014. The distance to the locations for redeeming agricultural inputs remained poor. Quantity of fertilizers redeemed dropped from good to poor in 2014. Quantity of seeds redeemed remained poor in 2014. Cost of fertilizer dropped from average to poor. Costs of seeds dropped from good to average. Grow Africa (n.d.), concluded that it was not that 20 million farmers were reached and that from complaints from the farmers they, the farmers did not each receive up to 4 bags of fertilizers.

With respect to receipt of farm inputs under the GES scheme in Adamawa State, Ahmed, Yusuf and Dunnah (2016), stated that insufficient fertilizers and insufficient seeds militated against the implementation of the scheme. Ahmed, Yusuf and Dunnah (2016), further

stated that seeds were more readily available and easily accessible than fertilizers.

In a similar study on the scheme in Kwara State, Adebo (2014) also identified insufficient fertilizers and seed as problems. Other problems highlighted by Ahmed, Yusuf and Dunnah (2016), included improper distribution of inputs, long distance of redemption centres from the farmers. In a study on attitude of crop farmers towards e-wallet platform of the Growth Enhancement Support Scheme for input delivery in Oke-Ogun area of Oyo state, Fadairo , Olutegbe, and Tijani (2015) also identified as a constraint long distance covered by farmers before they reached the redemption centres.

Nwalieji, Uzuegbunam, and Okeke (2015), in a study on the scheme in Imo State, also found that majority of the farmers had problem with phones as only source of information in accessing or redeeming their inputs. The study found that the redemption process was rigorous and disappointing in many cases and in different locations; that the quantity of fertilizer (2 bags of 50kg- 1NPK & 1 Urea) allocated/redeemed was not enough for the majority of farmers that cultivate 1 hectare of land and above.

3.2.3 Increase productivity of farmers

There are also mixed reports concerning the achievement of the objective of increased productivity of the farmers who participated in the scheme. According to Adebo (2014), farmers' participation in e-wallet led to increased output. Ahmed, Yusuf and Dunnah (2016) stated that in terms of output levels, the participants in the scheme experienced improvement in their output levels. In the views of Grow Africa (n.d.), participants in the GES scheme have been exposed to inputs that were not easily and readily available before in rural areas; the farmers have started to use improved varieties of seeds in combination with fertilizer application, and the farmers' yields are increasing. According to FMARD (2016), the



GES scheme has led to the introduction of new higher yielding crop varieties e.g. Cocoa, Rice (Faro 42 and 44); domestic food production has risen by an incremental 20.1M tons; and rice paddy production has risen to an estimated 2.0 – 2.5 million tons. FMARD (2016) further argued that growth in food production remains limited due to gaps in input supplies. For example, rice import bill still exceeds \$1billion/annum.

It is evident that the use of fertilizer and improved seed has particularly been very low in Nigeria. Furthermore, the combination of the cultivation of improved seeds with appropriate fertilizer application improves the output of farmers. In terms of the increase in the productivity of the farmers on account of the farmers' participation in the GES scheme, it can be argued that yields were increased to the extent that the participating farmers were able to acquire and use the relevant farm inputs. Against the backdrop of the fact that not all the farmers were registered coupled with the issue of not all who registered benefited from the scheme, it is unlikely that the objective of increasing the productivity of the farmers was fully met.

3.2.4 Change the role of Government from direct procurement and distribution of fertilizer to a facilitator of procurement, regulator of fertilizer.

Before the introduction of the GES in Nigeria, the fertilizer market was driven by government policies of direct participation in production, procurement and distribution. The GES scheme was expected to change the role of government in the delivery of fertilizer subsidies by withdrawing government from procurement of inputs and building a network of commercial agro-dealers to supply farmers. To understand how this objective was achieved, it should be stated that not all the state governments who participated in the scheme effectively backed up the commitment to have the resultant subsidy

sum deducted from their allocations of federation account.

For instance, as has earlier been stated, the GES was not fully implemented in Imo State because of disagreement between the State government and the agro-input dealers. The State Government effectively opened a parallel fertilizer market in 2012.

Another instance is that the Kano State Government in 2015, procured fertilizers for its farmers (Anon, 2015), in spite of the scheme. The state government reportedly intervened because of bureaucratic delays that cropped up during the transition period of the immediate past and the present federal government.

Highlighting the problems which faced the implementation of the scheme in Adamawa State, Ahmed, Yusuf and Dunnah (2016), included insufficient collaboration of the state government. Although Ahmed, Yusuf and Dunnah (2016), did not specifically elaborate on the nature of the insufficient collaboration, it may not be different from lack of the needed supportive environment from the government needed for the thriving of the scheme. In a study on attitude of crop farmers towards e-wallet platform of the Growth Enhancement Support Scheme for input delivery in Oke-Ogun area of Oyo state, Fadairo ,

Olutegbe, and Tijani (2015) identified non-commitment of the ADP staff to the scheme and explained that the non-commitment of the staff was on account of low extension agents-farmer ratio. It should be stated that the issue of non-commitment of ADP staff drafted to work in the scheme has been addressed by the recruitment of core helpline staff for the scheme in the current dispensation.

The GES was actually designed to divest governments from the production, procurement and distribution of fertilizers and other farm inputs. However this has not been fully met.



4.0 Current status of the scheme

Since the inauguration of the present administration of President Muhammadu Buhari on 29th May 2015, the GES had gone into a form of transition period. In July, 2015, in a meeting with the Permanent Secretaries of Federal Ministries of Agriculture and Rural Development, and of Water Resources, the President of Nigeria said his administration would continue with the previous government's agricultural expansion drive. The President of Nigeria assured that there would be no policy change to affect already running programmes in the Federal Ministry of Agriculture and Rural Development, especially the Growth Enhancement Support (GES) scheme. The Permanent Secretary of the FMARD who disclosed this said that it was to clarify the rumoured reversal of the programme by the Kano State Government as it procured fertilizers for its farmers, stating that the ministry had not reversed the programme.

According the Permanent Secretary, the state government intervened because of bureaucratic delays that cropped up during the transition period. To all intents and purposes, the GES was not implemented in 2015. At a stakeholders forum of the GES scheme, as reported in ThisDay Live edition of 6th August, 2016, the Chief Service Delivery (CSD), Cullulant Nigeria Limited said that six states are to kick start the commencement of the GES in 2016. The selected states, based on the six geopolitical zones in Nigeria were Katsina, Kano, Kaduna, Imo, Zamfara and Rivers.

In the just concluded 2016 pilot programme that spanned 6 weeks from August 20 to October 10, 100,000 farmers in 12 states of the federation namely Sokoto, Jigawa, Kano, Kaduna, Imo, Rivers, Adamawa, Katsina, Gombe, the FCT, Zamfara, and Kogi received only fertilizers. In the 2016 dry season programme, 2m farmers nationwide are expected to receive improved fertilizers and seed. The 2016 dry season

programme is planned to be rolled out on November, 15, 2016 in 650 redemption centres in 31 out of the 36 states of the federation.

Other Constraints and Outstanding Liabilities of the Scheme

Some of the constraints of the scheme have been highlighted during discussions on the achievements of the scheme. Other constraints and liabilities of the scheme are presented in this section.

Backlog of Unpaid Loans

There is a backlog of unpaid GES loans. As at 29th May, 2015 the amount stood at N52 billion being the subsidy component owed by both the Federal and State Governments to fertilizer suppliers who participated under the GES. As at date not all the backlog has been cleared. For instance, the debt to three 2013 dry season agro-dealers in Imo State is yet to be paid. The experiences of these fertilizer suppliers in the hands of their financier (bankers) are better imagined especially against the devaluation of the Naira.

Other Constraints

With respect to the problems inherent in the implementation of the scheme, in Adamawa State, Ahmed, Yusuf and Dunnah (2016), highlighted the following: insecurity on account of insurgency, and poor GSM network in the rural areas. Pertaining to insecurity, Ahmed, Yusuf and Dunnah (2016), stated that it was not just in Adamawa State but in the entire Northern Nigeria. They stated that the poor performance of the scheme workers (helpline staff) was on account of insecurity which effectively reduced the number of contacts with the participating farmers. The study concluded that in spite of the problems, the scheme is effective in Adamawa State and recommended that insecurity of lives and property on account of insurgency be effectively addressed by the government in addition to effecting improvements in agro-input



distribution, GSM network and farmers' awareness of the scheme.

The challenges of the e-wallet initiative as reported by Adebo (2014), included low level of awareness on the part of the farmers, low density coverage of agro-dealers, and poor telephony network. Adebo (2014), recommended improvement in rural telephone network for enhanced interconnectivity and the scaling up of the quantity of input supplied by the agro-dealers. According to Grow Africa (n.d.), to deal with the challenge of poor network the Federal Government successfully piloted a Token Administration Platform (TAP) in Sokoto State and the Federal Capital Territory in 2014 with 500,000 farmers. The TAP technology enables farmers whether online or offline to redeem their inputs. However, the technology is yet to be scaled up to other states of the federation.

A peep into the future

The GES 2016 is here with some modifications in the implementation strategy. In the previous years, shortfalls arose on account of falsification of figures and therefore inaccuracy of relevant data. As a result, measures have been put in place to ensure higher accuracy of data than what had obtained before. For instance, agro-input dealers in some cases gave stock of what they expected in their warehouses in the redemption centres, as opposed to what was physically present in the redemption centres. Claims are now verified for validity and reliability through on the spot checks.

Roll out is done based on what is physically present at redemption centres. Furthermore, every farmer must have a valid phone as a means of identification and there must be a confirmation that indeed there is agro-input redemption. There is no more room for offline transactions as the implementation was

abused in the past on the presumption of network failure and having to work offline.

The 2016 programme, has also incorporated the services of telecoms service providers, namely Airtel, MTN, Etisalat and Glo such that the network service providers provide information on network availability in all the states. Effectively, Cellulant has opened a system of communication in which the absence of network is documented and sent to it by the relevant network provider instead of people who are not the network providers calling Cellulant to report network failure.

In this 2016 GES implementation, the Federal Government bears 50% of the subsidy. This effectively means that the 25% subsidy component borne by the states has been taken over by the Federal Government.

Policy Implications

The GES scheme, laudable as it is, is being threatened by the monster of inexplicable policy reversals. The so-called transition period of 2015 is clearly alien to the original concept of the policy document.

The cases of government continued meddlesomeness in the provision of farm inputs especially fertilizer as recorded in some states is incompatible with the restructuring of the federal fertilizer procurement system which is pioneered by the GES scheme. This can be described as unstable application of policy instruments and should therefore be checked.

The amount owed the agro-input suppliers by the Federal and State governments being the governments' subsidy component of the GES scheme is hard to explain and it raises the question if the amounts were not provided for in the yearly budgets. This is a reflection of the perennial neglect of the agriculture sector when



it is realized that payment of subsidy to petroleum marketers hardly suffers such neglect.

In the just concluded 2016 pilot programme that lasted from August 20 to October 10, the roll out was not nationwide. It also clearly came late for the rainy season planting. This calls to question the timeliness of the exercise. It also calls to question the prospects for the rainy season planting.

Macroeconomic policies refer to monetary, fiscal and structural policies of government directed at influencing aggregate income, employment, general price level, wages and foreign exchange rates (Badger et. al., 1988). Nigeria is currently plagued with macroeconomic policy failures as is apparent in budget deficits, shortage of foreign exchange, devalued currency and general economic recession. Macroeconomic variables affect agriculture. For instance, the economic recession in Nigeria has been linked to the selected implementation of the GES scheme in 2016. Despite strong macroeconomic linkages to agriculture and despite the fact that macroeconomic policies often diminish the influence of agricultural policies, agricultural interests are not effectively accommodated in shaping macroeconomic policy. The implementation of the GES scheme especially in the payment of governments' subsidy elements should not be left solely to market forces.

Conclusion

The GES under the ATA is a grassroots-based and a well thought out programmatic initiative that is aimed at ensuring that all genuine and registered farmers across the country get access to quality farm inputs, through a bold and detailed overhaul of the national fertilizer and seed supply system. The inactivity of the scheme in 2015 otherwise referred to as a transition period was not conceived by the initiators of the scheme.

The lull in the implementation in 2015 and the subsequent fractional and selective implementation in 2016 GES are clearly incompatible with the initial concept of the rolling nature of the scheme. The present set up of the GES has fundamentally shifted from the original mission of and vision as encapsulated under the Agricultural Transformation Agenda of the previous government. The shift is not based on any robust refinement of the original concept and can therefore be described as the manifestation of the endemic contagion of policy reversals on account of change in the personnel who initiated the policy.

The debt burden arising from unpaid bills of the some of the agro-input dealers participating in the scheme is a major drawback in the scheme. It should be borne in mind that the ATA of which the GES is a strand, was embarked upon out of the policy thrust to treat agriculture as a business as opposed to a development project. Present and future regimes in Nigeria should therefore resist the temptation to reduce the scheme to one that can be implemented in fits and starts. Based on the findings of this study, the following recommendations are made:

- Efforts should be made to register more farmers for the scheme.
- Efforts should be made by the relevant State Governments and Federal Government to clear all arrears of unpaid debt of the GES before embarking on another round if only to shore up the confidence of the agro-input dealers in the scheme.
- Efforts should be made by the different stakeholders especially the Federal Government to ensure the continuity of the scheme.



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