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FOREIGN AGRICULTURE ECONOMICS

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NIGERIA'S Agricultural Economy in Brief

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POPULATION

Nigeria has the largest population of any country in Africa. It was estimated at 41,800,000 in mid-1963. However, a November 1963 census showed a total population of 55,653,821. The results of the new census, which favor Northern Nigeria politically, were challenged by the governments of the Eastern and Mid-Western Regions.

Population density varies widely, and averages 117 persons per square mile. The most thickly populated areas are in Eastern Nigeria and around Lagos. Large areas in Northern Nigeria have less than 25 persons per square mile; however, densities of over 250 persons per square mile are common in the main peanut and cotton growing areas.

Annual population growth rate is more than 2 percent. About 80 percent of the people live in villages and towns of less than 5,000 population and may be considered rural residents. The typical Nigerian farmer lives in a village and not on the land he works.

Only about 30,000 of the population are non-African, or less than one-tenth of 1 percent.

Four tribal groups make up over 40 percent of Nigeria's population: the Hausas and Fulanis in the north, the Ibos of Eastern Nigeria, and the Yorubas in the west.

LAND CHARACTERISTICS AND USES

With a total area of 356,669 square miles, Nigeria is a third larger than Texas. This area figure includes the former British Northern Cameroons, now an integral part of Nigeria. It does not include the former British Southern Cameroons, whose residents voted in February 1961 to join French Cameroun in forming the present Federal Republic of Cameroon.

About 24 percent of the total area is agricultural land.



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Nigeria's south coast faces the Gulf of Guinea (Atlantic Ocean). Some of the coast, especially along the many mouths of the Niger River, affords some of the world's wildest and most primitive scenery. The coastal climate is rather uniformly hot and humid. More rain falls there than elsewhere in Nigeria. The natural vegetation is rain forest. The area is generally well suited to tropical tree crops, chiefly oil palms and rubber in Eastern Nigeria and cocoa, kola nuts, and rubber in Western and Mid-Western Nigeria. Yams and cassava are popular food crops.

Northward, the elevation rises to about 2,000 feet, rainfall becomes lighter and seasonal, and the natural forest thins out to savanna (grassland with scattered trees and shrubs). Some oil palms grow in this area but only along the courses of streams. This area is known as the middle belt and furnishes food to other areas, both north and south.

Still further north, the country has a long dry season, with temperatures reaching as high as 120° F. While this area would seem unfavorable to agriculture, it is here that Nigeria's huge peanut crop is grown, as well as its important cotton crop. Sorghum and millet are the chief food crops. Here, too, graze most of Nigeria's cattle.

AGRICULTURAL STRUCTURE

The typical Nigerian farmer cultivates 1 to 5 acres of land with his own labor and that of his family. Cocoa farmers in Western Nigeria may, however, manage as many as 30 acres. A few government and private plantations have larger acreages.

Typically, the Nigerian farmer does not own his land in the sense of having a legal deed or title to it. He simply holds it by using it. These land rights are administered according to local tribal customs and Nigerian law and are held on a family or tribal basis.

Nearly always, the Nigerian farmer grows crops or livestock, but not both. However, a few thousand farmers in Northern Nigeria grow both crops and livestock.

While there is considerable subsistence farming (growing crops or livestock for one's own use), many thousands of Nigerian farmers produce yams, cassava, kola nuts, corn, sorghum, millet, and other crops which they sell to their neighbors or to markets in Nigeria. These markets are usually close by but are sometimes hundreds of miles from the farms which produce the crops. Many other farmers grow crops for overseas export.

PROGRESS IN FARM TECHNOLOGY

Nigeria lags in modern farm technology. For example, the huge peanut crop in Northern Nigeria is grown almost entirely by hand labor--plowing, planting, cultivating, and harvesting are all done by hand, without workstock or tractor power. This crop could seemingly be readily mechanized; however, several hundred thousand peanut farmers would then be unemployed. The resulting sociological problem might outweigh the technological advance.

About 36,000 farmers in Northern Nigeria are considered diversified (or "mixed"); they raise 20 to 30 acres each of peanuts and cotton with workstock (2 or 4 oxen per farm). For Nigeria, this is significant progress in farm technology.

Not much land is irrigated. However, it is expected that several hundred thousand acres of rice, sugarcane, and other crops will be irrigated with water impounded by the dam to be built at Kainji on the Niger River.

Some useful agricultural research has been done and continues to be done. A number of research institutes are clustered at the Moor Plantation near Ibadan; these include the Federal Department of Agricultural Research, the Cocoa Research Institute, and the West African Stored Products Research Unit. Valuable oil palm work has been done at Benin City by the West African Institute for Oil Palm Research (WAIFOR). Some agricultural teaching and research is done at the University of Ibadan, Nigeria's oldest university.

In Northern Nigeria a wide range of crop research is conducted by the Regional Research Station of the Ministry of Agriculture at Samaru, near Zaria.

Agricultural research facilities are being set up or planned in Eastern Nigeria at the University of Nigeria, Nsukka, and in Western Nigeria at the University of Ife.

The first students of the College of Agriculture of the University of Nigeria, Nsukka, were enrolled in 1961. Colleges of agriculture are also being established at Ahmadu Bello University and the University of Ife. Since livestock are important in Northern Nigeria, Ahmadu Bello University will also have a college of veterinary medicine.

AGRICULTURAL PRODUCTION

Cocoa, peanuts, palm kernels, palm oil, cotton, and rubber are the chief commercial crops (table 1). Nigeria is now the world's second largest producer of cocoa, ahead of Brazil, formerly in second place. Nigeria is the world's largest exporter (although not the leading producer) of peanuts. The country is also the world's largest exporter of palm kernels and first or second largest exporter of palm oil. Nigeria has become Africa's largest rubber producer, passing the former African leader, Liberia.

Table 1.--Nigeria: Production of principal crops, average 1957-59, annual 1962/63 and 1963/64

Crop	1957-59 Average	1962/63 Preliminary	1963/64 Forecast
	1,000 metric tons	1,000 metric tons	1,000 metric tons
Export crops:			
Peanuts, unshelled.....	1,061	1,515	1,361
Palm oil.....	510	450	463
Palm kernels.....	433	373	368
Cocoa beans.....	127	178	205
Cottonseed.....	82	116	116
Rubber, crude.....	45	60	61
Cotton lint.....	39	54	54
Soybeans.....	7	27	27
Sesame.....	18	22	25
Crops for domestic consumption:			
Yams, cocoyams, and sweetpotatoes.....	10,663	11,350	11,540
Cassava.....	9,250	10,200	10,400
Sorghum and millet.....	2,800	3,300	3,400
Plantains and bananas.....	1,550	1,650	1,670
Corn.....	1,067	1,118	1,105
Beans and peas.....	327	370	375
Rice, paddy.....	333	350	350
Kola nuts.....	142	150	150
Sugar, raw.....	43	45	47
Tobacco.....	11	14	14

Most of the country's numerous livestock is in Northern Nigeria, particularly north of the Niger and Benue Rivers. Livestock raising in the southern areas of the country is beset by the tsetse-fly problem. The following estimates of 1961 livestock numbers are from a 1962 report by the Agricultural Attache at the American Embassy in Lagos, Nigeria:

	<u>1,000 head</u>
Goats.....	40,000
Sheep.....	10,000
Cattle.....	9,000
Donkeys.....	1,500
Hogs.....	1,000
Horses.....	300
Camels.....	20

AGRICULTURAL TRADE

Agricultural products comprise 75 to 85 percent of Nigeria's exports. The percentage of agricultural exports shows a downward trend due to significant increases in nonagricultural exports, chiefly petroleum. For about 10 years following World War II, exports (agricultural and nonagricultural) exceeded imports. However, beginning with 1955, the country has had a trade deficit each year. However, Nigeria's long-term trade outlook remains good and the Nigerian pound (at par with the pound sterling) remains fully convertible in international trade.

The United Kingdom continues to be Nigeria's best customer and chief supplier, taking 43 percent of Nigeria's exports (agricultural and nonagricultural) in 1962 and supplying 35 percent of its imports. Other leading customers include the Netherlands (14 percent of Nigeria's exports), the United States (11 percent), and West Germany (9 percent). Other leading suppliers include Japan (12 percent of Nigeria's imports), the United States (7 percent), West Germany (6 percent), and the Netherlands (4 percent). While Japan is the country's second largest supplier of imports, it is far down the list as a customer, taking less than 1 percent of Nigeria's exports.

The agricultural trade tables, tables 2 and 3, were compiled from official Nigerian trade publications. For some commodities, the breakdown by trading partners for 1959 was not shown in the report.

As reported by the U.S. Census Bureau, the United States in 1963 exported commodities worth \$36,680,000 to Nigeria. Of this amount, \$8,851,000 were agricultural products, largely wheat (\$4,801,000), other grains and grain products (\$634,000), black-fat tobacco (\$2,581,000), and other tobaccos (\$760,000).

And in that same year, the United States imported commodities valued at \$40,420,000 from Nigeria. These included agricultural products valued at \$32,218,000. Chief among these were cocoa beans (\$15,106,000), rubber (\$8,912,000) and goat and kid skins (\$2,203,000).

GENERAL FOOD SUPPLY SITUATION

Daily per capita food consumption (1959-61 average) was estimated at 2,455 calories, of which 1,147 were derived from starchy root crops (cassava, yams, cocoyams, etc.), 768 calories from grains (sorghum and millet, corn, rice, and wheat flour), and 232 calories from vegetable oils (mostly palm oil). Only 27 calories were obtained from meat and 7 calories from fish.

While the average Nigerian diet is adequate in calories, it is deficient in proteins. Nigeria is largely self-sufficient for food; only 1 1/2 percent of the daily calories are from imported foods. The chief food imports are fish, wheat for milling, sugar, and milk and cream.

AGRICULTURAL AND TRADE POLICY

Nigeria's Six-Year Plan stresses the productive sectors of the economy, mainly agriculture and industry. Prepared jointly by the Federal and regional governments, the plan is to cover the years 1962 to 1968.

Nigeria has no acreage or production controls.

The Nigerian farmer receives his chief production incentive in the form of an assured market at a fixed price for certain export crops (cocoa, palm oil, palm kernels, peanuts, seed cotton, benniseed, soybeans, and copra). These commodities are bought by licensed agents of the Eastern, Northern, and Western Nigeria Marketing Boards. Not all of these crops are handled by all of the boards, since not all crops are produced in all regions.

Many other Nigerians buy, haul, and sell domestic crops and livestock destined for use within the country; their transactions are not supervised by the marketing boards.

GENERAL ECONOMIC SITUATION

Nigeria is still a pioneer land with an economy based on the production of raw materials, chiefly agricultural commodities. However, the country is fortunate in having diversified resources. It is able to produce a number of agricultural commodities which are in active demand in the world markets--cocoa, peanuts, palm kernels, rubber, palm oil, and cotton. Agricultural

Table 2.--Nigeria: Exports, quantity and value of principal agricultural commodities, by principal countries of destination, average 1959-61, annual 1962

Commodity and country	Quantity		Value		Relative importance, all agri- cultural exports
	1959-61 average	1962	1959-61 average	1962	
	1,000 metric tons		1,000 dollars		
Cocoa beans, raw.....	162.8	197.8	101,554	93,371	26.3
United States.....	42.8	63.1	25,371	30,095	
United Kingdom.....	46.2	48.0	29,313	22,400	
Netherlands.....	34.8	39.3	22,309	18,253	
Peanuts, shelled.....	448.1	535.2	77,077	90,792	25.5
United Kingdom.....	136.8	154.1	22,632	26,041	
France.....	82.5	77.3	15,629	13,350	
Italy.....	62.9	69.8	10,722	11,498	
Palm kernels.....	426.5	370.5	67,126	47,283	13.3
United Kingdom.....	240.9	181.0	38,049	23,076	
Netherlands.....	114.8	119.7	17,711	15,255	
Rubber, raw.....	56.1	60.3	34,407	31,796	8.9
United States.....	14.4	23.9	9,353	12,238	
United Kingdom.....	21.5	22.2	12,092	11,829	
Palm oil, edible.....	152.0	116.6	33,198	24,523	6.9
United Kingdom.....	127.6	80.1	27,821	16,774	
Peanut oil.....	47.3	63.6	13,942	17,295	4.9
United Kingdom.....	38.8	38.5	11,525	10,437	
Cotton, raw.....	37.8	23.7	22,986	16,401	4.6
United Kingdom.....	19.5	5.9	11,744	4,348	
Belgium-Luxembourg.....	---	4.5	---	3,039	
Hides and skins.....	9.6	8.8	10,618	9,548	2.7
United Kingdom.....	2.0	1.6	2,734	2,345	
United States.....	1.5	1.3	3,040	2,235	
Peanut oil cake.....	63.9	89.4	4,851	6,864	1.9
United Kingdom.....	62.9	71.5	4,752	5,484	
Benniseed (sesame).....	22.4	24.3	4,171	5,245	1.5
Venezuela.....	---	12.1	---	2,682	
Italy.....	4.8	7.0	900	1,444	
Cottonseed.....	53.5	43.4	3,630	2,850	.8
Japan.....	---	21.3	---	1,373	
United Kingdom.....	20.4	20.8	1,374	1,373	
Soybeans.....	6.9	15.1	668	1,363	.4
United Kingdom.....	---	14.0	---	1,253	
Live animals for food (number).....	14,516	11,419	1,204	984	.3
Ghana.....	---	10,909	---	972	
Other agricultural exports.....			16,717	7,072	2.0
Total agricultural exports.....			392,149	355,387	100.0
Total exports.....			463,112	459,238	

Note: (-) means not available.

Table 3.--Nigeria: Imports, quantity and value of principal agricultural commodities,
by principal countries of origin, 1959-61 average, 1962 annual

Commodity and country	Quantity		Value		Relative importance, all agricultural imports
	1959-61 average	1962	1959-61 average	1962	
	1,000 metric tons		1,000 dollars		Percent
Wheat and wheat flour....:	56.1	85.5	8,424	12,615	21.9
United States.....:	41.6	44.1	6,525	5,900	
Canada.....:	12.1	39.0	1,773	5,874	
Sugar, refined.....:	61.2	74.4	9,308	9,038	15.7
United Kingdom.....:	49.9	33.1	7,658	4,700	
Beer and wine (1,000 imperial gallons).....:	7,177	5,117	11,259	8,402	14.6
United Kingdom.....:	2,610	2,688	4,512	4,702	
Netherlands.....:	2,182	893	2,955	1,292	
West Germany.....:	1,337	678	1,769	978	
Milk and cream.....:	10.7	14.4	4,808	6,394	11.1
Netherlands.....:	---	12.1	---	5,010	
Tobacco, unmanufactured..:	2.0	1.9	3,526	3,300	5.7
United States.....:	1.3	1.7	2,842	2,995	
Fruits and preparations..:	5.6	13.3	2,113	2,681	4.7
Italy.....:	---	7.0	---	1,614	
Other dairy products.....:	2.0	2.3	2,055	2,274	4.0
United Kingdom.....:	---	1.6	---	1,679	
Other food prep.....:	---	---	593	1,862	3.2
United Kingdom.....:	---	---	---	1,012	
Other cereals and prep...:	6.0	6.2	1,358	1,501	2.6
United Kingdom.....:	---	1.9	--	556	
Vegetables, fresh, dried, preserved.....:	4.4	4.3	1,172	1,471	2.6
United Kingdom.....:	---	1.1	---	527	
Bakery products.....:	4.6	2.3	2,136	1,410	2.5
United Kingdom.....:	---	1.3	---	833	
Meat and preparations....:	2.5	2.0	1,981	1,408	2.4
New Zealand.....:	---	.5	---	258	
Sugar confectionery.....:	2.2	1.7	1,247	1,046	1.8
United Kingdom.....:	---	1.0	---	594	
Other agricultural imports.....:			3,120	4,070	7.2
Total agricultural imports <u>1/</u>:			53,100	57,472	100.0
Fish and fish preparations.....:			24,332	22,388	
Other nonagricultural imports.....:			495,474	416,070	
Total imports <u>1/</u>:			572,906	495,930	

1/ Does not include live animals for food crossing land frontiers.

Note: (-) means not available.

products comprise 75 to 85 percent of exports. About half of Nigeria's national income is derived from agriculture. Internal agricultural trade is active and extensive, with a large population providing a promising market.

Granting certain limitations, Nigeria has a prosperous and active economy and almost all economic indicators point to sustained expansion and growth. However, there are a number of economic problems: There is a shortage of managerial and technical skills; distances are great and transportation barely adequate; electric power supply is insufficiently developed; land clearing is costly.

Expansion and improvement of Nigeria's economic infrastructure would permit much greater production and marketing of export crops, notably peanuts and cotton.

Construction of more all-weather roads would seem to be of prime importance, as would rebuilding of some present heavily used highways. Many roads are closed to all traffic for some hours after rain begins to fall. Some trunk roads constructed within the past 5 years have only one paved lane. However, the dirt shoulders are well maintained and the roads carry traffic in either direction.

Nigeria has a fairly good rail system totaling 2,000 miles; new locomotives and freight cars are needed. A new railroad under construction from south of Jos to Maiduguri is expected to be completed in late 1964. This extension will open up some productive peanut and cotton areas.

Nigeria's chief ports, Lagos and Port Harcourt, are reasonably well-equipped for loading ocean freighters with farm exports. Additional capital for port expansion would appear to be a good investment.

Nigeria is one of the African countries receiving substantial economic and technical assistance from the United States through the Agency for International Development.

Industry is achieving considerable importance in Nigeria. There is some processing of agricultural products; manufacturing of cotton cloth, cigarettes, beer, cement, tires and tubes, paint, flour, shoes, soap, furniture, bread, biscuits, and many other products; mining of coal, tin, and columbite; and development of highways, railways, and electric power. Exploration for petroleum was begun in the Niger Delta in 1937 and first exports of crude petroleum were made in 1958. Petroleum production continues to increase. A petroleum refinery will begin operating at Port Harcourt in early 1965. The discovery and exploitation of petroleum adds a great deal to Nigeria's energy resources. Petroleum has already become a valuable earner of foreign exchange.

Nigeria's estimated Gross National Product (1962 in current market prices) was \$3,470 million. This was the largest GNP in tropical Africa. However, the per capita GNP was only about \$85 because of the large population.