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## **Nigeria**

### **Agricultural Situation**

# **Nigeria Annual Agricultural Situation Report 1998**

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#### **Report Highlights:**

**Nigeria made further progress in 1997 in sustaining macroeconomic stability. It was however, at the cost mounting unemployment, weak purchasing power, growing industrial inventory and low capacity utilization. There was a modest improvement in the overall economic performance as the rate of inflation decelerated throughout the year, reaching a single digit in December for the first time since 1991.**

**Agricultural production increased during the year under review due to favorable weather conditions but was below set budget targets.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Annual Report  
, NI

## General Economic Overview

For the third consecutive year Nigeria made further progress in sustaining macroeconomic stability. There was a modest improvement in overall economic performance as inflation rate decelerated throughout the year, reaching a single digit in December for the first time in many years. The observed improvement was at the cost of high unemployment, weak purchasing power of consumers, growing industrial inventory and low capacity utilization.

Domestic output measured by the Gross National Product (GDP) at 1984 constant factor costs, increased by 3.8 percent in 1997, compared to the average growth rate of 2.3 percent in the preceding three years. This is however, significantly below the target of 5.5 percent envisaged in the 1997 budget. On the whole the growth performance of the economy continues to be weak and below potential as the growth of the real sector continues to be hampered by low investment growth, poor infra structural facilities, incessant fuel shortages, power outages and less than conducive business climates.

On an expenditure basis, the GDP breakdown is characterized by high consumption levels, and low investment with gross fixed capital formation only 9 percent of the GDP. The share of investment in GDP compares unfavorably with other developing countries, in particular those in South and South East Asia.

The modest growth in output recorded is accounted for by both the oil and non oil sectors. In the non oil sector, a major source of growth was agriculture. The improved performance of the agricultural sector for 1997 resulted primarily from sustained favorable weather conditions, notwithstanding the constraints imposed by the problem of inadequate supply of fertilizers. The good rainfall pattern created a conducive atmosphere for farming activities. The food and livestock sub sectors responded positively, leading to the increase in food production.

The primary objective of the monetary authorities in 1997 was to reduce the excess liquidity in the economy by adopting a tight monetary program. Beginning in 1995 Nigeria adopted the policy of guided deregulation in which the authorities sought to guide the market with discretionary interventions. Consequently, while the foreign exchange market was liberalized, but the Nigerian government(GON) maintained an official rate of Naira 22 to \$1.00 for specified government transactions such as debt service payments. The interest rates were deregulated and the banks were encouraged to maintain reasonable spreads between the deposit and lending rates. On the other hand the adoption of new taxes such as the value-added tax (VAT) and import duty reforms, helped to boost non oil revenue. Also, efforts were made at sanitizing the financial sector in order to stem ~~distress in the system. The result of these measures was reflected by the consistent decline in the inflation rate~~ from double to single digits in 1997 for the first time since 1991, while real output growth maintained steady

increase, though below budget targets.

The below target increases in output and employment were the results of the consistent application of contradictory policy measures which, coupled with weak consumer spending exacerbated the level of poverty. In order to take full advantage of the gains made in recent years, Nigeria is in dire need of a medium-term economic program supported by multilateral financial institutions. Such a program would clear the way for meaningful concessional debt relief, which would free more resources for domestic uses. Sectors with the most potential of growth include the oil and gas sector, manufacturing and agriculture.

The fiscal operation of the GON in 1997 resulted in an overall operational deficit of 5 billion Naira following the sharp increase in expenditure. However, the draw down of Naira 38,000 million surpluses achieved in 1995 and 1996, yielded an overall surplus of Naira 33 billion in 1997. Federally collected revenue improved during the fiscal year as both oil and non oil receipts recorded substantial increases. As in the previous year, the realized world oil price was in excess of the budget reference price of US\$17.00 per barrel, thereby improving foreign exchange receipts substantially. The breakdown showed that 417 billion Naira (71.5%) came from the oil sector, and 130.8 billion Naira was surplus from CBN weekly interventions at the Autonomous Foreign Exchange (AFEM). Revenue from non oil sectors improved following GON's increased tax efforts. Total non oil revenue increased by 166 billion naira, representing 9.9 percent increase over that of 1996.

The Nigerian economy is heavily dependent on oil earnings, overlaid on a traditional agriculture and trading economy. The oil sector accounted for more than 95 percent of export earning, yet agriculture remains the principal activity of a majority of Nigerians, accounting for 33% of GDP in 1996.

## Industry

Growth in the industrial sector decelerated in 1997 after a moderate recovery in the previous year. Estimated aggregate indexes of industrial production rose by 0.8 percent, compared with 2.8 percent recorded in 1996. The level attained was, however, an improvement relative to the decline of 0.4 percent registered in 1995. The marginal rise in industrial output was traced mainly to the respective increase of 1.2 and 0.3 percent in mining and manufacturing.

In spite of continued macroeconomic stability, reflected in stable interest and exchange rates and declining inflation rates, the performance of the manufacturing sub-sector was below expectation in 1997. The index of manufacturing production, increased by 0.3 percent, compared with a modest recovery of 1.2 percent in 1996 and an average decline of 3.8 percent for the period 1993 to 1997. The marginal improvement was accounted for by increases in the output of five of the thirteen subgroups in the index: beer and stout (8.7%), cement (4.0%), soap and detergents (1.3%), and refined petroleum products (1.3%) and cotton textiles (1.2%). The other eight subgroups recorded declines in output. These were, radio and television (TV) 22.4%; synthetic fabrics (7.1%); paints (6.7%); soft drinks (5.5%), roofing sheets (4.4%), footwear (4.2%); vehicle assembly(4.2%); and sugar confectionery (2.3%).

The growth rate of 0.3 percent in manufacturing production was well below the target of 6.7 percent set for the sub-sector in the 1997-1999 National Rolling Plan. Anticipated growth in the sub-sector in 1997 was hindered by a combination of factors which included weak demand for manufactures attributed to declining purchasing power, contracting job opportunities, delayed release of GON capital expenditure and an influx of imports which competed with local manufactures. In addition, output growth was constrained by high cost of production, traceable largely to high levels of exchange and lending rates; and deterioration in the services of infrastructural facilities, especially electricity and water supply, transportation and telecommunication, the private provisioning of which added substantially to cost of operations. Other constraints were multiple taxes and levies by State and Local Governments and the closure of some factories by revenue generation task forces in an effort to collect such taxes even though approved taxes and levies were published early in the year; lack of funds to replace/refurbish worn-out machinery; inadequate working capital; and acute shortage of petroleum products for a greater part of the year which disrupted production schedules.

The marginal improvement in manufacturing activities was confirmed by the survey conducted by the Central Bank of Nigeria(CBN), covering 367 manufacturing establishments located in Lagos area in which 72.0 percent response rate was achieved. The survey indicated that the average capacity utilization rate in the manufacturing sub-sector rose to 37.2 percent from 36.8 percent achieved in 1996. Of the total respondents from 23 subgroups, seven subgroups operated above 50 percent of their respective installed capacities. These were:

|   |              |
|---|--------------|
| Wood and cork products                            | 80.6%        |
| Motor vehicle assembly                            | 73.9%        |
| Beer and stout                                    | 57.4%        |
| Miscellaneous food products                       | 52.8%        |
| Knitting carpets and rugs                         | 51.0%        |
| Basic industrial chemicals                        | 50.5%        |
| Fabricated metal products                         | 50.5%        |
| Textile   | 50.0%        |
| Leather products                                  | 44.0%        |
| Structural metal products                         | 43.7%        |
| Plastic products                                  | 40.5%        |
| Glass and glass products                          | 40.5%        |
| Paints  | 39.1%        |
| Other chemicals and petroleum products            | 37.7%        |
| Basic metal industries                            | 37.5%        |
| Meat and dairy products                           | 37.1%        |
| Sugar and cocoa confectionery                     | 35.5%        |
| Radio, TV, electrical and communication equipment | 35.2%        |
| Drugs and medicine                                | 35.1%        |
| Paper and paper products                          | 30.3%        |
| <u>Roofing sheets</u>                             | <u>30.3%</u> |
| Soft drinks                                       | 12.0%        |

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|                              |       |
|------------------------------|-------|
| Vegetable and grain milling  | 8.3%  |
| Average Capacity Utilization | 37.2% |

The survey showed that the total cost of operations rose by 20.2 percent owing largely to a substantial increase in the cost of raw materials. The value of imported raw materials used increased by 2.1 percent and accounted for about 47.6 percent of the total cost of raw materials, while the value of locally sourced raw materials rose by 13.9 percent and represented 52.4 percent of raw materials' cost. The cost of raw materials used accounted for 65.7 percent of the total cost of operation, while wages and salaries, interest charges, other unspecified costs, energy and depreciation accounted for 10.0, 9.8, 9.7, 2.4 and 2.3 percent, respectively. Sales revenues of the respondents rose by 0.2 percent, reflecting a marginal increase in the quantity of goods sold and relatively stable prices.

The level of finished goods inventories however, rose by 28.7 percent, largely as a result of increased output and low demand. Gross investment expenditure by the manufacturing establishments increased by 17.3 percent, with machinery and equipment accounting for 39.8 percent, while vehicle repairs and maintenance, unspecified expenditure, spare parts, research and development represented 15.9, 15.9, 13.6, 12.5 and 2.3 percent of total expenditure, respectively. Investment expenditure, financed largely with internally sourced funds, rose by 6.3 percent and accounted for 58.0 percent of gross manufacturing investment expenditure compared to 64.0 percent in 1996. Local banks provided 31.8 percent of investable funds compared to 28.0 percent in 1996.

The majority of the respondents (66.9%) expressed pessimism on the business prospects in 1998, while the rest (33.1%) were optimistic. The pessimism is anchored on the lingering constraints on the sub-sector. These included high costs of production owing to high cost of foreign exchange; low demand for manufactures resulting from dwindling consumers' purchasing power as well as influx of smuggled and cheaper finished products; lack of working capital; and poor performing, inadequate infra structural facilities. The poor performance of essential infra structural facilities forced most firms to resort to private provisioning of water, electricity, etc., which tended to increase their operational costs. These problems tended to have greater impact on the small and medium enterprises which, unlike large enterprises, lacked the resources needed for overcoming them.

### Trade Trends

Provisional estimates for the balance of payments for 1997 indicate that the pressure on Nigeria's balance of payment abated somewhat in 1997, as the overall position resulted in a modest surplus of US\$ 15 million compared with a deficit of US\$761 million in 1996. Total exports for 1997 (FOB prices) declined from US\$16, 117 million in 1996 to US\$15,207.0 million in 1997 reflecting mainly the 9 percent drop in the average realized price of crude oil exports. Crude oil exports continued to dominate the export sector, as they still accounted for 97.7 percent representing a 0.5 percentage point drop from the share of 98.2 percent recorded in 1996. The United States remained the largest importer of Nigeria's crude oil, accounting for 34.6 percent of total oil exports.

There was an improvement in the performance of the non oil export component, from US\$287 million to US\$357.2 million in 1997 facilitated by the more liberalized market environment. This was further reflected in the increased export tonnage and values of palm produce, rubber, fish and shrimp, cashew-nuts, cotton and yarn, gum arabic and insecticides, all of which offset the weak output of cocoa.

A break down of imports revealed that in contrast to the development in the preceding year, the value of all imports increased from their respective levels in 1996. The increase ranged from 30.3 percent for mineral fuels to 125.5 percent for beverages and tobacco. This development was in response to the policy of further liberalization of trade. In terms of the relative shares of the items to total imports, manufactured goods continued to rank highest accounting for 29.2 percent, followed by machinery and transport equipment, chemicals, accounting for 24 and 22.7 percent respectively.

Commercial trade imports for wheat, rice, sugar, fish, frozen foods (beef, poultry parts), powdered milk and tallow exist in Nigeria. Local food production in Nigeria has not kept pace local consumption requirements; thus, Nigeria has had to depend on imports to fill the gap.

#### Situation and Outlook for the Agricultural Sector

##### Agriculture

GON's policy for the Agricultural Sector for 1998/1999 cropping season continues to be the creation of a conducive agricultural environment for the private sector (which is recognized as the engine of growth) to enhance agricultural production, promote food sufficiency and increase farm incomes, provide raw materials and other agricultural products for local consumption and for export.

Despite the rapid growth of the oil industry during the 1970s, agriculture still accounts for 38 percent of the GDP and provides employment, both formal and informal, for about 60 percent of the labor force. Nevertheless, with the financial rewards in farming eroded over the years, at least until the introduction of the Structural Adjustment Program (SAP) in 1986, the country moved from being a large exporter of agricultural produce in the years after independence to being a sizeable importer today. High incomes generated in the petroleum sector attracted labor, management and capital from agriculture. Agricultural production and export plummeted, particularly in the cocoa, oil palm, and peanut sectors where Nigeria was once a world leader.

Nevertheless, a majority of the population is engaged in agricultural production at the subsistence level. Nigeria's wide range of climatic variations from the tropical zone of the coast to the Sahelian Zone of the North has made it possible to produce virtually all agricultural commodities that can be produced in the tropical and semi tropical regions of the world. The sector supplies food for the growing population and raw materials for industry, while supplementing export earnings from petroleum. The continued pursuit of a liberal economic policy has enhanced the competitive position of Nigerian agriculture as producer prices have increased considerably in Naira terms.

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The steady growth in agricultural production observed in the preceding five years continued in 1997. The aggregate index of agricultural production increased by 4.1 percent, compared with 3.7 percent in 1996 and the average of 3.5 percent for the period 1993 to 1997. All the sub-sectors contributed to the growth in the level of output. Crop production rose by 4.3 per cent, compared with 3.6 percent in 1996 and the average of 3.6 percent for the period 1993 to 1997. The output of staples grew by 4.2 percent compared with 3.3 percent in 1996. All the major staples recorded significant output increases over the preceding year's level. Cash crop production also rose by 5.4 percent, compared with 5.5 percent in 1996 with all major components recording increases in output: sheanuts (1.6 percent), rubber (2.0 per cent), cotton (2.7 per cent), coffee (3.4 percent) and benniseed (7.8 percent).

A national survey conducted by the Central Bank of Nigeria (CBN) showed that the sustained increase in agricultural production during the year was due mainly to favorable weather conditions as rainfall was largely well distributed throughout the country. Average annual rainfall increased from 1,087mm in 1996 to 1,199 mm, thus encouraging intense farming activity. This development, coupled with intensified effort by the National Agricultural Land Development Authority (NALDA) to bring more land/small holder hectareage under cultivation, helped to boost agricultural production. Other factors which contributed to the improvement included the intensification of on-farm adaptive research by some relevant agencies, such as the Agricultural Development Projects (ADPs), the supply of high quality seeds/seedlings and better usage of improved storage facilities.

In the crop sub-sector, shortages in the supply of fertilizers worsened during the year as the total quantity of fertilizers available for distribution was reduced by 4.3 percent. Other problems included the continued inability of the ADPs to intensify the conduct of extension activities such as propagation of new improved techniques for adoption by farmers owing to financial constraints arising from the phasing out of the World Bank loan facilities. Hitherto, all ADPs relied on World Bank loans and counterpart funds from the GON for implementing their programs.

Livestock's production rose by 2.5 percent in 1997 due to the improved performance of all the components of this sub-sector. Poultry output rose by 2.5 percent, compared with 1.4 percent in 1996, reflecting the effect of availability and use of improved and massively produced vaccines by the National Veterinary Research Institute, Vom, which reduced mortality rates of birds. Output of beef, goat, lamb/mutton and pork also increased by 1.5, 3.3, 5.2 and 10.3 percent, respectively. Milk production rose by 1.7 percent compared to 1.1 percent in 1996 in response to the intensification of various dairy production and disease reduction programs. For instance, effective disease and pest control programs were pursued to reduce the incidence of rinderpest. Contagious Bovine Pleuro-Pneumonia (CBPP) and Pests Petits Ruminants (PPR).

Fish production increased by 11.3 percent, compared with 20.8 percent growths in 1996. The reduced growth in fish output was attributed to the relatively lower performance of all the components of the sub-sector, except the artisan al, coastal and brackish water catches, where the catch rose by 14.0 percent to 179,000 tonnes in 1997. The decline in the rate of growth of this sub-sector was attributed largely to the escalating cost of inputs such as outboard engines, low level of investment by the private sector, hindering further exploitation of the nation's



fish production potential during the year. In addition, persistent shortages of petroleum products, especially in the first half of 1997, compounded the problem of the fishery sub-sector by reducing the number of fishing trips.

Output of forestry products maintained an upward trend as the index of the sector rose by 1.0 percent compared with 0.9 percent in the preceding year. The increased production was attributed mainly to the intensification of exploitation of forests in response to rising domestic demand for all types of wood products. In order to facilitate the sustenance of the sub-sector and minimize the short-run adverse consequences of the intensive exploitation, the Forestry Research Institute of Nigeria intensified development of early-maturing species of trees. For instance, recourse was made to the planting of *Parkia bi globosa* known for responding positively to different methods of vegetative propagation under different hormonal treatment - a process which helps to reduce its commencement of flowering from 15 to 5-8 years.

However, the improved performance of 4.1 per cent growth of the agricultural sector in 1997 is lower than the 5.5 percent targeted in the 1997-1999 National Rolling Plan. The following are the major problems which constrained output growth and contributed to the wide gap between targets and achievements:

- Nigerian agriculture continues to be dominated by small-scale farmers who rely exclusively on their labor and that of family members thereby limiting their ability to increase production substantially;
- agriculture being mainly rain fed is subject to the unpredictable pattern of rainfall;
- the poor state of rural infrastructures such as roads, renders the evacuation of farm produce difficult. Storage facilities are also poor resulting in high post harvest losses,
- rural-urban migration which has led to increasing shortage of farm labor and,
- land acquisition and preparation problems on account of complicated the land tenure system.

### Agricultural Policy

The stated policy of the GON is to move the country quickly to achieve self-sufficiency in food production and a massive increase in the production of agricultural raw materials for domestic agro-based industries and export. To this end, the GON designed a number of policies and programs, which were articulated in the Fourth National Development Plan. The strategy is to achieve output growth by developing infrastructure; improving supply of fertilizers and other farm inputs; improving agricultural extension services; training and research; harnessing of Nigeria's water resources; and development of small scale rural agro-based industries. However, food production in Nigeria has continued to lag behind population growth due to poor policy implementation.

### National Agricultural Land Development Authority(NALDA)

NALDA was established in 1992 to tackle the problem of land development and utilization as a whole, including land rehabilitation, farm consolidation as well as promoting the resuscitation of the cash crop economy of the country. Land development constitutes one the most severe infra structural development bottle necks hindering the development of farm holdings in Nigeria. The mandate of the agency, also include facilitating farmers' access to critical agricultural support services and farm inputs. NALDA's mandate was recently expanded to include the provision of seeds, seedlings, and agrochemicals and the strengthening of the



much needed agricultural extension services.

### Fertilizers

The GON in 1997 deregulated fertilizer trade and distribution and the erstwhile inefficient subsidy on the product was removed. With the deregulation, private individuals have begun to import fertilizers to supplement domestic production. Shortages in the supply of fertilizers worsened as the total quantity of fertilizers available for distribution was reduced by 4.3 percent from 600,000 tonnes in 1996 to about 574,000 tonnes. The shortage was attributable to the high down time of local fertilizer plants due to under funding, the slow response of the private sector to privatization and commercialization of fertilizer trade and by bottlenecks in the distribution of available supplies. The net effect of privatization and supply shortfall was that the price of a 50-kilogram bag of fertilizer averaged 1,400.00 Naira during the year, compared with the subsidized price of 200.00 Naira per bag in the previous year.

### Agricultural Prices

The prices of Nigeria's major agricultural commodities showed significant improvement in the world markets relative to their levels in the preceding year. The average growth in commodity prices between 1993 and 1997 stood at 7.8 percent. The dollar prices of all the commodities monitored, except copra and groundnut oil, recorded increases during the year. The price increases ranged from 2.5 percent for cocoa to 29.6 percent for coffee. Soy beans, palm oil and ginger also recorded respective price increases to 1.0, 2.6 and 10.5 percent. The improvement in commodity prices in 1997 was attributed mainly to increased international demand and tight supply situations. In naira terms, the all-commodity index also rose by 2.5 percent, reflecting the relative stability of the naira exchange rate and the improvement in the world prices. The naira price increases of the commodities ranged from 0.9 percent for soy beans to 29.4 percent for coffee.

Domestic producer price of Nigeria's major agricultural commodities declined during the year. Of all the thirteen commodities monitored, ten registered price declines. The price drops ranged from 5.1 percent for cotton to 38.2 percent for coffee. Other commodities for which prices fell included sesame seed (6.4 percent), unshelled groundnuts (26.2 percent), palm kernels (25.4 percent) and soybeans (8.4 percent). Cocoa, ginger and rubber (100 percent dry lumps), however, registered price increases of 8.1, 5.6 and 9.3 percent, respectively, over the levels recorded in the preceding year. Some factors which depressed agricultural product prices included increased supply following good harvest; weak industrial demand; and availability of substitutes which tended to dampen prices of commodities such as cotton.

### Land use

Nigeria has adequate land resources not only to be self sufficient in food production, but to become a major player in commodity exports. Out of the country's total land area of 92.4 million hectares, 91 million hectares are adjudged to be suitable for cultivation. Only about one tenth of the arable land is planted because of the land tenure system which has restricted access to land for agricultural development. The smallholder farmer is tied

to a small piece of land, which limits his operation and capacity to produce. A major constraint to food security in Nigeria is the persistence of traditional patterns of land use, land ownership and land control. Soil degradation through over cultivation is common place in many farming communities across the country because of over use.

## Land Use

### A.SIZE (in millions of Hectares):

|                         |      |
|-------------------------|------|
| Total Area              | 92.4 |
| Land Area               | 91.1 |
| Water bodies            | 1.3  |
| Exclusive Economic Zone | 25.6 |

### B.LAND USE:

|                     |      |
|---------------------|------|
| Agricultural Land   | 83.6 |
| Arable land         | 28.2 |
| Permanent crop land | 2.5  |
| Pasture land        | 40.0 |
| Forest & Woodland   | 10.9 |
| Fadama              | 2.0  |
| Other lands'        | 7.5  |

Source: Federal Ministry of Agriculture

Nigeria's agricultural geography can be divided into three regions. The northern region is savanna and dry savanna and produces cassava, millet, sorghum, corn, peanuts, sesame, and wheat. Sugar cane, cotton and rice are grown in river valleys or other irrigated areas. The North is also the rainy season base of Nigeria's nomadic cattle herders, who move south to the Middle Belt during the dry season for pasture.

The Middle Belt is savanna with adequate rainfall and riverside water resources. Cassava, yam, corn, sorghum, rice, millet, and soybeans are the main crops. The South, commonly divided into East and West regions, is forested and receives heavy rainfall. It produces yam, cassava, oil palm fruit, cocoa, plantain, sugarcane, corn, rice, citrus, rubber, and coffee.

Swine production is located in the South, while sheep and goats are mainly raised in the North and Middle Belt. Poultry, mainly chickens with some turkeys and guinea fowl, are produced throughout the country.

The principal agricultural products in Nigeria include the following. For the crop sub-sector,

Tree crops                      - Cocoa, Oil Palm, rubber, cashew nuts, Coconut, Coffee

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|                       |   |
|-----------------------|---|
| Industrial crops      | - Cotton, Tobacco, sugar cane, peanut, soybean          |
| Roots and Tubers      | - Cassava, Yam, Cocoyam, sweet potatoes, Irish potatoes |
| Cereals               | - Maize, Rice, Millet, Sorghum                          |
| Fruits and Vegetables | - Pineapple, Citrus, Tomatoes, Banana                   |
| Others                | - Plantain  |

The livestock's sub-sector includes:

Cattle, Sheep, Goats, Poultry, and Pigs (Swine).

It has been estimated that about 35 percent of Nigeria's agricultural production goes to waste at the post production-level (in fact, the percentages could even be higher than the 35 percent indicated since the few mainly State-owned large-scale agro-processing factories are all out of production). This situation poses a serious threat to food security in Nigeria. The bulk of Nigeria's agricultural production goes directly from the raw form to final sales and consumption leading large volumes of these products to get spoilt (due to lack of processing facilities). This situation presents opportunities for agro-industrial business development.

#### Situation and Outlook by Commodity Sector

The mixed cultivation of crops remains a common feature across the whole country. Cereals and legumes formed the base crops in the northern and middle belt zones, while root crops, cereals and vegetable mixtures are dominant in the southern zones.

Nigerian agriculture is characterized by insufficient development of agricultural technology particularly for production, processing and preservation. The effect of this is underutilization of productive capacity, low yields and high harvest and post harvest losses. In particular, the post harvest technology available is inadequate to support a market oriented food production system among Nigeria's small holders. Apart from the damage which the standing crop is exposed to through attacks from pests and diseases, a considerable portion of the harvest is lost due to poor processing and storage techniques.

The bulk of food production in Nigeria takes place in small holder farms using such tools as hoes and cutlasses with human muscle as the main source of power. The farmer is tied to a small piece of land, which limits his operation and capacity to produce. His crop is seasonal and access to storage facilities limited, yet the small scale farmer bears the burden of feeding the nation. Attempts at large scale agriculture in the 1980 have failed. The massive depreciation of the Naira over the years has priced the Nigerian farmer out of the tractor market.

#### Tree Crops

Beginning in 1994, the GON took steps to revitalize the cash crop industry by inaugurating and financing the National Accelerated Industrial Crops Production Program. The program is designed to increase the production of eight industrial crops, namely: oil palm, cashew, cocoa, rubber, gum arabic, groundnut, cotton and soybeans. The broad objectives are: the expansion of land area for the elected crops; improvement of the yield potential

and production, enhanced rural employment and improved farmers' standard of living. The tree crop component is a smallholder scheme and involves the development of oil palm, cocoa, rubber, and cashew in the relevant ecological zones. Under the program, subsidized seedlings are distributed to farmers. Field investigations have revealed that substantial quantity of seedlings have been supplied over the past three years, but the impact on area cultivated has been minimal due to low rates of establishment arising from low input utilization and inadequate extension services support.

### Cocoa

Cocoa is Nigeria's leading non oil foreign exchange earner. Nigeria has the potential to produce more than 300,000 tons of cocoa per year, but the 1997/98 production was 145,000 tons. The production increase is limited by the dominance of overage low yielding cocoa trees, poor production environment and uncertainties surrounding inconsistencies in government agricultural policies, which has curtailed meaningful investment. The pace of replanting of old fields with subsidized hybrid varieties is low and is not complemented with proper farm management practices because of the high cost of farm inputs and inadequate extension service support to farmers.

Poor farm management has continued to keep yields low in Nigeria. Average yields in Nigeria are estimated 400 kilograms per hectare. Farmers could improve yields significantly through proper farm management practices and an aggressive replanting of old fields.

### Rubber

The Nigerian rubber industry is dominated by few private estates which have been carrying out limited field expansion and processing. Smallholder rubber holdings estimated at 180,000 hectares are past their productive peak and need to be replanted. Because of the current favorable producer prices which have been rising both in the international and domestic markets, the old rubber plants are being exploited extensively.

The development of the rubber sector is constrained by poor tapping practices and aged trees on the predominant smallholder farms and difficulty in acquiring sizeable land for large plantations.

### Oil Palm

Oil palms are the source of most vegetable oil production in Nigeria. The oil palm industry has undergone some improvement in recent years with the development of several new plantations. A significant part of Nigeria's estimated 600,000 tons of palm oil production comes from the exploitation of the natural wild palm grooves by peasant farmers who crush the fruit using traditional methods and selling the palm kernels to modern oil mills which produce palm kernel oil. The Nigerian Institute for Oil Palm Research, estimates that 250,000 tons of palm oil is lost annually due to the inefficient traditional processing methods being used by peasant farmers who account for more than 70 percent of local production. Natural grove production by its very nature, is supply

inelastic as no maintenance is given to the trees. Production from this sector continues to decline due to population pressure on land which prevents young palms from growing naturally to replace old trees.

Production from the organized small holding and the big estates which cover about 350,000 hectares combined, is also on the decline due to low yields. Lack of appropriate fertilizers, poor field maintenance due to rising cost and inadequate supplies of quality planting material have been identified as responsible for low yields. The average yield on the estates is estimated at 8 tons per hectare compared to 15 tons attainable under normal conditions. Most state controlled, estates are being leased to private individuals to improve management.

### Cotton

Cotton is one of Nigeria's important cash crops grown in most northern states, especially Sokoto, Katsina, Kaduna, Bauchi and Kano states. Cotton is almost exclusively a smallholder crop and farming systems are mostly rain fed arable mixed cropping. About 70 percent of cotton is planted mixed with other crops such as millet, maize, sorghum, cow pea and sweet potatoes.

About one million Nigerians are involved in cotton production and processing. Upland cotton is grown by some 800,000 small scale farmers and more than 85,000 workers in the cotton industry, including the ginneries, textile factories and oil mills, thus making it the single largest employer of labor outside the public sector. However, the size of the Nigerian textile industry has decreased considerably over the past three years. Domestic demand for textile materials tightened due to weak purchasing power of the consumers and stiff competition from textile imports following the lifting of the ten-year-old import ban on textile products in 1997. Exports to the Economic Community of West African States(ECOWAS) subregion, which hitherto accounted for about 40 percent of Nigeria's textile production has also declined to a mere 10 percent since the devaluation of the CFA in 1993.

The contraction of the Nigerian textile industry is likely to continue in coming years with many more textile firms folding up, especially those with small capital base, while many others will be forced into mergers and acquisitions. Consequently, the price of seed cotton will continue to decline, which will force farmers to cut back on its production.

### Peanuts

Peanuts, as a major cash crop has gradually been gaining increased popularity across the savanna zones over the years. There were no reported incidences of major pest or disease outbreaks. There were however, reports of localized incidences of army worm and termite attacks in some states. Land area devoted to peanuts is envisaged to increase by about 10 percent in the 1998 cropping season over that of 1997. However, peanut output is envisaged to increase by only about 0.5 percent. This is probably due to the non availability of single super phosphate fertilizers as well as improved seed varieties.

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### Soybeans

Soybean production is steadily expanding as it had been receiving greater attention from farmers over the years because of its high protein content and its relatively low fertilizer requirement. The crop appeared to be performing well on the fields. There were no reported outbreaks of pests or disease. An estimate of 0.45 million hectares is devoted to soybeans.

#### Coarse grains

There was a moderate increase in overall grains' production in 1997 due mainly to favorable weather conditions especially well-distributed rainfall throughout the country. Grains such as sorghum and millet recorded appreciable production gains as they are less fertilizer dependent. Field investigations have revealed that even though the late rains came late in the grain belt, output was generally good, except of course, the fertilizer dependent crops, such as maize, wheat and rice, the productions of which declined further during the year under review. Farmers' attitude to hybrid varieties is rapidly changing as many of them now adopt the higher yielding hybrid varieties.

#### Sorghum

Sorghum is the most widely cultivated cereal in Nigeria especially in the Sudan and sub-Saharan zones where moisture levels are low. Sorghum is estimated to cover more than 40 percent of total land devoted to cereals. Area cultivated increased in 1996 as fertilizer scarcity forced the traditional maize growing areas to shift to sorghum and millet. Consequently, production reportedly increased by 7.5 percent in 1997 from the preceding year.

#### Wheat

Efforts to increase wheat production have crashed on the reality that Nigeria's climate is not appropriate for this temperate crop. Domestic wheat production continues to decline despite the record high producer prices offered to encourage farmers. Wheat is a Fadama (lowland) crop grown in a few States in the North.

Nigeria is the largest U.S. wheat market in sub-Saharan Africa. Realignment in incomes and a moderation in inflation has returned bread to the table of many Nigerians. Nigeria's wheat imports in 1998/99 are expected to increase to 1,000,000 tons.

#### Rice

Rice production appears to be benefitting from the fadama system of agriculture in the North. Under the fadama system, high water usage crops are planted in low-lying areas with good soil moisture which is supplemented by tube well irrigation. Although rice production is fairly widespread across the country, increased production is constrained by the lack of good quality seed, as well as poor harvesting and processing techniques.

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Production declined in 1997 by about 15 percent due to shortages of fertilizers, non availability of improved



upland variety planting material in some states. There were also reported incidences of rice blast, quela bird attacks, gall midge and grasshopper attacks. Although land area under rice production decreased marginally by 5 percent, output fell more significantly by 15 percent, due primarily to the limited availability and high cost of inputs.

All the varieties developed by the National Cereals Research Institute, are medium to long grain and are tolerant to blast which is the most devastating disease of rice in Nigeria. The yield potentials range from 2 to 4 tons per hectare for lowland rice varieties and 1 to 2 tons per hectare for upland varieties.

Since the import ban on rice was lifted in 1993, local production now competes for consumers with the better quality milled imported rice. Nigerian rice imports doubled in 1997 to 700,000 tons due to domestic production decline and the highly competitive price of Thai rice. The price of imported parboiled rice has been relatively stable and highly competitive vis-a-vis the price of substitute staples. Stiff competition among importers has considerably narrowed the price gap between imported parboiled rice and local rice. Consequently, consumption has shifted in favor of imported rice.

#### Cow peas

Cow peas are heavily consumed in the country as an important source of plant protein. The performance of cow peas in the fields was observed to be fairly good. There were localized reports of mild aphids' attack in some localities. Land area devoted to cow pea production increased by 9 percent in 1997 to 3.45 million hectares, while output increased by 6 percent to 1.957 million tons in 1997.

#### Corn

Area planted to corn has remained fairly stable. Output is dependent on adequate rainfall in the North and Middle Belt and not receiving too much rainfall in the South where downy mildew often takes a heavy toll. Use of hybrid varieties is increasing. Corn is a very important cereal which is cultivated in all the five agro-ecological zones of the country. Corn is used extensively in the feed and food industry in Nigeria. Maize occupies about 17 percent of total land area under to cereals production. It is important both as a staple food and an economic crop and it has high yield per unit area relative to other cereals. Improved varieties are also widely accepted by farmers. However, because of inadequate amounts of fertilizer being available to farmers and high fertilizer requirement relative to the other cereals, farmers reduced land area devoted to the crop and thus production. Currently, local (white) corn is priced at about 23,000 naira (85.3 naira/dollar) per ton, substantially more than the prevailing world prices because the GON continues to ban the importation of corn, as well as sorghum

#### Root Crops

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##### Cassava

Cassava production has increased rapidly over the years due to the rapid adoption of disease resistant varieties developed by the International Institute of Tropical Agriculture (IITA). Cassava is an important crop and it is estimated to cover about 41 percent of the total land area under root and tuber crops. Cassava and yams form a major part of the food supply and represent the main staples for the southern parts of the country. Cassava is well adapted to local conditions in that it can be grown on fairly poor soil, is drought resistant and can be harvested over several months depending on food needs. There were reports of cassava mosaic virus and cassava bacterial blight in some states in the southern zone. There were also sporadic reports of grasshopper attack within this zone. However, output is expected to increase by about 10 percent in 1998 over the 33.5 million tons recorded in 1997.

### Yams

Yam production in the southern and middle belt zones have continued to increase despite the moderate effects of yam beetles reported in some states in the Southern zones. There was no major reported outbreak of any disease. Output is estimated to increase 6% over the 25 million tons recorded in 1996.

There are a number of other root crops produced in localized areas such as Irish potatoes in plateau and adjacent states, cocoa yams in the south east and sweet potatoes in several areas.

### Livestock

Modern scientific methods of raising livestock are not very common in Nigeria.

For instance, cattle, goat and sheep are reared by nomadic Fulani herdsmen who migrate seasonally north to south for pasture and water. Livestock's production rose by 2.5 percent in 1997. This development was attributed to the improved performance of all the components of this sub-sector. Poultry output rose by 2.5 percent, compared with 1.4 percent in 1996, reflecting the effect of availability and use of improved and massively produced vaccines by the National Veterinary Research Institute, Vom, which reduced mortality rates of birds. Poultry production in Nigeria is more developed than other livestock's production. There are a few modern and scientifically managed large scale poultry farms with bird population in excess of three hundred thousand. There are indications of a gradual rebounding of the sector, as measured by an increased off-take of poultry feeds in recent times.

Output of beef, goat, lamb/mutton and pork also increased by 1.5, 3.3, 5.2 and 10.3 percent, respectively. Milk production rose by 1.7 percent compared to 1.1 percent in 1996 in response to the intensification of various dairy production and disease reduction programs. For instance, effective disease and pest control programs were pursued to reduce the incidence of rinderpest. Contagious Bovine Pleuro-Pneumonia (CBPP) and Pests Petits Ruminants (PPR).

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Fish production increased by 11.3 percent, compared with 20.8 percent growths in 1996. The decline in the rate of growth of this sub-sector was attributed largely to the escalating cost of fishing inputs such as outboard engines, with the attendant low level of investment by the private sector, thus hindering further exploitation of the nation's fish production potential during the year. In addition, persistent shortages of petroleum products, especially in the first half of 1997, compounded the problem of the fishery sub-sector by reducing the number of fishing trips.

#### Forest Products

Output of forestry products maintained an upward trend, as production rose by 1.0 percent compared with 0.9 percent in the preceding year. The increased production was attributed mainly to the intensification of exploitation of forests in response to rising domestic demand for all types of wood products. The Forestry Research Institute of Nigeria intensified development of early-maturing species of trees to minimize the adverse consequences of the intensive exploitation. For instance, recourse was made to the planting of *Parkia bi globosa* known for responding positively to different methods of vegetative propagation under different hormonal treatment - a process which helps to reduce its commencement of flowering from 15 to 5-8 years.

#### Sugar

Domestic sugar production, which has for several years been on steady decline, is set to increase. Post forecast 1998/99 production to increase to 50,000 tons compared to 1997/98 production figure of 15,000 tons. The increase is directly related to the rehabilitation and expansion of cane fields and milling facilities under the current African Development Bank(ADD) financing, which is reported to have attained 85 percent completion rates. The majority of the new irrigation and factory equipment imported under the program has arrived on the site of the beneficiary estates.

There are also field indications that the National Sugar Development Council(NSDC), has stepped up efforts at sensitizing individual and corporate investors to the potential of sugar production in Nigeria. A 250-TCD mini sugar mill is currently being installed at Sunti, while the Lafiaji mill is being upgraded to a 200-TCD mill with the financial assistance of the NSDC. A private investor has completed plans to commission a 40,000 ton sugar refinery to process imported raw sugar.

Nigeria's annual sugar consumption rose rapidly from 50,000 tons in 1960 to about one million tons in 1984 and now down to 600,000 per annum. Domestic production has steadily declined from 50,000 tons in 1994 to a mere 14,500 tons in 1996 representing 3 percent of demand. This is a far cry from the overall GON Policy objective of attaining 70 percent self-sufficiency by the year 2000. An estimated area of 20,000 hectares is under cane cultivation in Nigeria in 1998.

An estimated 500,000 tons of refined sugar was imported into Nigeria in 1997.

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#### Certified Seeds

The production of certified and hybrid seeds in Nigeria is done exclusively by private seed companies under the supervision of the National Seed Service. An increasing percentage of Nigerian farmers are now adopting the hybrid seeds which are known to improve yields. NALDA's operational guideline has been expanded to extend beyond land development to the provision of seeds, seedlings and agrochemicals, and the strengthening of agricultural extension services and agricultural cooperatives. NALDA has evolved a policy of supplying seeds directly to farmers through the existing credible seed supply companies.

|                                   |                         |         |         |          |        |
|-----------------------------------|-------------------------|---------|---------|----------|--------|
| Table 1                           | Key Economic Indicators |         |         |          |        |
|                                   |                         | 1994    | 1995    | 1996     | 1997   |
| Domestic Economy                  |                         |         |         |          |        |
| GDP (current prices)=N=bn         |                         | 915     | 1,977.7 | 2,833    | 3,128  |
| GDP (1984 prices)=N=bn            |                         | 101     | 104     | 107      | 111    |
| GDP (real growth rate %)          |                         | 1       | 2       | 3        | 4      |
| Oil sector                        |                         | -2      | 2       | 7        | 8      |
| Non-oil                           |                         | 2       | 2       | 3        | 3      |
| Population (est. in millions)     |                         | 95      | 97      | 102      | 105    |
| Oil production (MBD)              |                         | 2       | 2       | 2        | 2      |
| Oil exports (MBD)                 |                         | 2       | 2       | 2        | 2      |
|                                   |                         |         |         |          |        |
| Average Exchange Rate(Naira/US\$) |                         |         |         |          |        |
| Official                          |                         | 22      | 22      | 22       | 22     |
| Market                            |                         | 52      | 81.2    | 81.2     | 81.6   |
| Inflation (CPI Dec/Dec percent)   |                         | 57      | 73      | 29       | 8      |
| Fed-collected Revenue             |                         |         |         |          |        |
| (percent of GDP)                  |                         | 23      | 24      | 22       | 23     |
| Federal Expenditure               |                         |         |         |          |        |
| (percent of GDP)                  |                         | 22      | 12      | 10       | 12     |
| Federal Deficit/surplus           |                         | -70,271 | 1,000   | 37,049.4 | 30,007 |
| (percent of GDP)                  |                         | 8       | 0       | 2        | 2      |
|                                   |                         |         |         |          |        |
| Balance of payment                |                         |         |         |          |        |
| (US\$ mn, Unless                  |                         |         |         |          |        |
| otherwise indicated)              |                         |         |         |          |        |
| Merchandise Exports FOB           |                         | 9,415   | 11,734  | 16,117   | 15400  |
| of which petroleum                |                         | 9,181   | 11,449  | 15,830   | 14520  |
| Merchandise imports CIF           |                         | 6,613   | 8,222   | 6,438    | 7600   |
| Trade Balance                     |                         | 2,803   | 3,513   | 9,679    |        |
| Current Account Balance           |                         | (2,390) | (2,645) | 3,001    | 2100   |
| Overall Balance (before           |                         |         |         |          |        |

|   |  |         |            |        |       |
|---|--|---------|------------|--------|-------|
| exceptional financing)                            |  | (1,948) | (2,774)    | (761)  | -502  |
| Foreign Debt (year end;<br>excluding ST)          |  | 29,429  | 32,585     | 28,000 | 27088 |
| Debt service Ratio (percent b*)                   |  | 41      | 34         | 31     | 30    |
| Official foreign Reserves<br>(year end)           |  | 1,659   | 1,441      | 7700   | 8100  |
| U.S. Exports to Nigeria<br>merchandise, FOB       |  | 509     | 590        | 796    | 702   |
| US Imports from Nigeria<br>(Merchandise, CIF)     |  | 4,430   | 5055       | 6171   | 6102  |
| US Share (as percent of total)                    |  | 10      | 13         | 14     | 14    |
| Nigerian Exports                                  |  | 47      | 34180      | 59843  | 14    |
| Nigerian imports                                  |  | 7321    | 7978       | 9      | 8     |
|   |  |         |            |        |       |
| Sources: Central Bank of Nigeria; IMF,IBRD; USDOC |  |         | USDOC; FOS |        |       |



| Table 2 - Sectorial Contributions to GDP     |                     |      |      |                  |      |                 |      |
|--|---------------------|------|------|------------------|------|-----------------|------|
|  |                     |      |      |                  |      |                 |      |
| Gross Domestic Product at 1984 Factor Cost   |                     |      |      |                  |      |                 |      |
|  |                     |      |      |                  |      |                 |      |
|  | GDP (billion Naira) |      |      | % Share in total |      | % Ann.Growth Rt |      |
|  | 1995                | 1996 | 1997 | 1996             | 1997 | 1996            | 1997 |
|  |                     |      |      |                  |      |                 |      |
| Agric (Crops)                                | 32                  | 33   | 35   | 31               | 31   | 4               | 4    |
| Livestock                                    | 5                   | 6    | 6    | 6                | 5    | 3               | 2    |
| Forestry                                     | 1                   | 1    | 1    | 1                | 1    | 1               | 1    |
| Fishing                                      | 1                   | 1    | 2    | 1                | 2    | 20              | 16   |
| Crude Petroleum                              | 13                  | 14   | 15   | 13               | 14   | 7               | 8    |
| Mining& Quarrying                            | 0                   | 0    | 0    | 0                | 0    | 3               | 3    |
| Manufacturing                                | 7                   | 7    | 7    | 6                | 6    | 1               | 1    |
| Utilities                                    | 1                   | 1    | 1    | 1                | 1    | 2               | 2    |
| Bldg & Constr.                               | 2                   | 2    | 2    | 2                | 2    | 1               | 1    |
| Transport                                    | 3                   | 3    | 3    | 3                | 3    | 2               | 3    |
| Communication                                | 0                   | 0    | 0    | 0                | 0    | 3               | 7    |
| W/sale & Retail                              | 13                  | 13   | 13   | 12               | 12   | 1               | 0    |
| Hotel & Rest.                                | 1                   | 1    | 1    | 0                | 0    | 2               | 2    |
| Finance & Insurance                          | 9                   | 10   | 10   | 9                | 9    | 4               | 4    |
| Real Estate                                  | 0                   | 0    | 0    | 0                | 0    | 3               | 3    |
| Housing                                      | 2                   | 2    | 3    | 2                | 2    | 1               | 2    |
| Producers of                                 |                     |      |      |                  |      |                 |      |
| Govt. Svcs.                                  | 10                  | 11   | 11   | 10               | 10   | 1               | 2    |
| Comm., Social &                              |                     |      |      |                  |      |                 |      |
| Personal Svcs.                               | 1                   | 1    | 1    | 1                | 1    | 14              | 15   |
|  |                     |      |      |                  |      |                 |      |
| Total(GDP)                                   | 104                 | 107  | 111  | 100              | 100  | 3               | 4    |
|  |                     |      |      |                  |      |                 |      |
| Non-Oil(GDP)                                 | 90                  | 93   | 96   | 87               | 86   | 3               | 3    |
|  |                     |      |      |                  |      |                 |      |
| SOURCES: (i) Federal Office of Statistics    |                     |      |      |                  |      |                 |      |
| (ii) Central Bank of Nigeria - Annual Report |                     |      |      |                  |      |                 |      |

| TABLE 3 - CONSUMER PRICE INDEX        |       |          |      |          |
|---------------------------------------|-------|----------|------|----------|
| Composite Consumer Price Index        |       |          |      |          |
| Base Period : September, 1985 = 100   |       |          |      |          |
|                                       |       | All      |      |          |
| Component                             | All   | Items    |      | Drinks   |
|                                       | Items | Less     | Food | Tobacco& |
|                                       |       | Farm Pro |      | Kola     |
| WEIGHT                                | 1000  | 362      | 691  | 47       |
| Annual 1996                           | 2638  | 2745     | 2631 | 2463     |
| Average 1997                          | 2856  | 2932     | 2856 | 2637     |
| 1997 July                             | 3012  | 2924     | 3082 | 2600     |
| August                                | 2941  | 2911     | 2984 | 2610     |
| September                             | 2861  | 2987     | 2841 | 2657     |
| October                               | 2856  | 2960     | 2844 | 2689     |
| November                              | 2838  | 2981     | 2807 | 2645     |
| December                              | 2941  | 3056     | 2919 | 2751     |
| 1998 January                          | 2936  | 3070     | 2910 | 2758     |
| February                              | 2946  | 3097     | 2906 | 2715     |
| March                                 | 2991  | 3136     | 2953 | 2682     |
| April                                 | 3061  | 3154     | 3040 | 2628     |
| May                                   | 3095  | 3208     | 3067 | 2662     |
| June                                  | 3205  | 3370     | 3135 | 2716     |
| July                                  | 3296  | 3382     | 3245 | 2796     |
|                                       |       |          |      |          |
| Source : Federal Office of Statistics |       |          |      |          |
|                                       |       |          |      |          |

| Table 4 - Fertilizer supply 1980-1997 |         |                 |         |              |  |
|---------------------------------------|---------|-----------------|---------|--------------|--|
| YEAR                                  | IMPORTS | DOMESTIC SUPPLY |         | TOTAL SUPPLY |  |
| 1980                                  | 264,000 |                 | N/A     | 264,000      |  |
| 1981                                  | N/A     |                 | N/A     | N/A          |  |
| 1982                                  | N/A     |                 | N/A     | N/A          |  |
| 1983                                  | 479,700 |                 | N/A     | 479,700      |  |
| 1984                                  | 608,093 |                 | N/A     | 608,093      |  |
| 1985                                  | 786,135 |                 | N/A     | 786,136      |  |
| 1986                                  | 863,215 |                 | N/A     | 863,215      |  |
| 1987                                  | 829,750 |                 | N/A     | 829,750      |  |
| 1988                                  | 384,500 |                 | 21,000  | 405,500      |  |
| 1989                                  | 400,000 |                 | 450,000 | 850,000      |  |
| 1990                                  | 706,000 |                 | 608,000 | 1.314m       |  |
| 1991                                  | 400,000 |                 | 748,000 | 1.148m       |  |
| 1992                                  | 610,000 |                 | 800,000 | 1.400m       |  |
| 1993                                  | 645,000 |                 | 745,000 | 1.200m       |  |
| 1994                                  | 750,000 |                 | 740,000 | 1.490m       |  |
| 1995                                  | 62,045  |                 | 835,000 | 897,045      |  |
| 1996                                  | NIL     |                 | 600,000 | 600,000      |  |
| 1997                                  | 200,000 |                 | 374,000 | 574,000      |  |
|                                       |         |                 |         |              |  |
|                                       |         |                 |         |              |  |

| Table 5 - AAO Production Estimates 1995/1996 - 1997/1998 |         |            |          |  |          |
|--|---------|------------|----------|--|----------|
|  |         |            |          |  |          |
|  |         | in '000 MT |          |  |          |
|  |         |            |          |  |          |
|  | 1996/97 |            | 1997/98  |  | 1998/99  |
| *****  | Revised |            | Estimate |  | Forecast |
|  |         |            |          |  |          |
| Corn   | 5,000   |            | 4900     |  | 4900     |
| Millet   | 5,300   |            | 5000     |  | 5200     |
| Sorghum  | 6,600   |            | 6930     |  | 7300     |
| Rice   | 1,950   |            | 1850     |  | 1850     |
| Wheat  | 35      |            | 30       |  | 20       |
| Peanut   | 2,073   |            | 2150     |  | 2300     |
| Soybeans   | 150     |            | 180      |  | 220      |
| Cotton lint  | 85      |            | 89       |  | 80       |
| Palm kernel  | 270     |            | 260      |  | 350      |
| Palm oil   | 600     |            | 590      |  | 560      |
| Cocoa  | 155     |            | 145      |  | 130      |
| Sugar cane   | 300     |            | 300      |  | 500      |
|  |         |            |          |  |          |
| Source : FAS/Lagos Reports                               |         |            |          |  |          |
|  |         |            |          |  |          |
|  |         |            |          |  |          |

|   |      |              |      |      |  |
|---|------|--------------|------|------|--|
|   |      |              |      |      |  |
|   |      |              |      |      |  |
| Table 6 - Livestock Population                              |      |              |      |      |  |
|   |      |              |      |      |  |
|   |      | Million Head |      |      |  |
|   | 1993 | 1994         | 1995 | 1996 |  |
|   |      |              |      |      |  |
| Indigenous Poultry  | 91   | 96           | 96   | 97   |  |
| Goats   | 37   | 37           | 52   | 54   |  |
| Cattle  | 15   | 15           | 18   | 18   |  |
| Pigs  | 4    | 5            | 7    | 8    |  |
| Sheep   | 23   | 23           | 25   | 0    |  |
|   |      |              |      |      |  |
| Average protein intake in Nigeria is about 6.0gms /head/day |      |              |      |      |  |
| LDC average is estimated at 13.2gms/head/day                |      |              |      |      |  |
| World average is estimated at 24.2/head/day                 |      |              |      |      |  |
|   |      |              |      |      |  |
| Source : Livestock Department, Ministry of Agriculture      |      |              |      |      |  |
|   |      |              |      |      |  |
|   |      |              |      |      |  |
|   |      |              |      |      |  |
|   |      |              |      |      |  |

| Table 7 - CBN Production Estimates 1993 - 1997 |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|
|  | 1993   | 1994   | 1995   | 1996   | 1997   |
| 1. Crops (I)                                   |        |        |        |        |        |
| Staples  | 78,691 | 81,802 | 84,286 | 88,080 | 90,815 |
| yam  | 21,635 | 23,153 | 22,818 | 23,928 | 24,713 |
| cocoyam  | 1,066  | 1,128  | 1,182  | 1,295  | 1380   |
| Maize  | 6,291  | 6,902  | 6,931  | 6,217  | 6285   |
| Millet   | 4,602  | 4,757  | 5,563  | 5,303  | 5997   |
| Sorghum  | 6,051  | 6,197  | 6,997  | 7,514  | 7954   |
| Rice   | 3,065  | 2,427  | 3,203  | 3,122  | 3230   |
| Wheat  | 33     | 35     | 44     | 47     | 49     |
| Acha   | 50     | 55     | 58     | 64     | 67     |
| Beans  | 1,576  | 1,545  | 1,751  | 1,847  | 1957   |
| Cassava  | 30,128 | 31,005 | 31,404 | 32,950 | 33,510 |
| Potato   | 80     | 90     | 95     | 99     | 101    |
| Plantain                                       | 1,623  | 1,665  | 1,632  | 1,688  | 1758   |
| Vegetable                                      | 2,494  | 2,843  | 2,608  | 3,506  | 3814   |
| OTHER CROPS(II)                                | 11,456 | 11,448 | 11,270 | 12,891 | 13,042 |
| Melon  | 243    | 253    | 287    | 317    | 320    |
| Groundnut                                      | 1,416  | 1,453  | 1,579  | 2,078  | 2101   |
| Sesame seed                                    | 52     | 56     | 60     | 64     | 69     |
| Coconuts                                       | 140    | 145    | 149    | 151    | 154    |
| Sheanuts                                       | 336    | 353    | 384    | 367    | 373    |
| Soybeans                                       | 163    | 178    | 287    | 322    | 326    |
| Cottonseed                                     | 192    | 218    | 251    | 301    | 309    |
| Palm Kernel                                    | 491    | 503    | 543    | 548    | 550    |
| Palm oil                                       | 825    | 837    | 687    | 776    | 780    |
| Groundnut oil                                  | 408    | 429    | 334    | 461    | 470    |
| Cocoa  | 306    | 323    | 203    | 323    | 325    |
| Coffee   | 358    | 372    | 109    | 178    | 184    |
| Rubber   | 225    | 230    | 255    | 245    | 250    |
| Sugar cane                                     | 905    | 633    | 589    | 615    | 620    |



|  |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|
| Palm Wine  | 5,376   | 5,444   | 5,531   | 6,122   | 6185    |
| Tobacco  | 20      | 21      | 22      | 23      | 26      |
|  |         |         |         |         |         |
| 2. Livestock                                       | 1,737   | 1,764   | 1,838   | 1,892   | 1939    |
| Poultry  | 67      | 63      | 73      | 74      | 76      |
| Goat Meat  | 78      | 80      | 88      | 92      | 95      |
| Lamb/Mutton  | 83      | 85      | 94      | 96      | 101     |
| Beef   | 182     | 183     | 192     | 197     | 200     |
| Pork   | 24      | 25      | 31      | 39      | 43      |
| Milk   | 906     | 951     | 961     | 972     | 989     |
| Eggs   | 397     | 377     | 399     | 422     | 435     |
|  |         |         |         |         |         |
| 3. Fishery   | 256     | 273     | 316     | 364     | 405     |
| Artisanal Coastal and                              |         |         |         |         |         |
| Brackish Water Catches                             | 106     | 124     | 142     | 157     | 179     |
| Artisanal Inland Rivers                            |         |         |         |         |         |
| and Lake Catches                                   | 95      | 110     | 142     | 157     | 167     |
| Fish Farming                                       | 19      | 18      | 21      | 33      | 38      |
| Industrial (Trawling                               |         |         |         |         |         |
| Coastal Fish and Shrimps                           | 36      | 21      | 11      | 17      | 21      |
|  |         |         |         |         |         |
| 4. Forestry/1                                      | 112,076 | 114,959 | 115,025 | 118,120 | 119,256 |
| Round wood   | 110,731 | 113,555 | 113,602 | 116,653 | 117,694 |
| Sawn Wood  | 1,217   | 1,281   | 1,300   | 1,339   | 1427    |
| Wood Based Panels                                  | 110     | 108     | 111     | 114     | 119     |
| Paper and Paper Boards                             | 18      | 15      | 12      | 14      | 16      |
|  |         |         |         |         |         |
| Note:  |         |         |         |         |         |
| 1. Forest products in 1,000 cubic centimeters.     |         |         |         |         |         |
|  |         |         |         |         |         |
| Source: Central Bank of Nigeria Annual Report 1997 |         |         |         |         |         |

|  |        |         |        |         |       |
|--|--------|---------|--------|---------|-------|
|  |        |         |        |         |       |
| Table 8 - Producer Prices for Cash Crops 1993 - 1997 |        |         |        |         |       |
|  |        |         |        |         |       |
| Average Producer Prices of Selected Crops            |        |         |        |         |       |
| (Naira per ton)                                      |        |         |        |         |       |
|  |        |         |        |         |       |
| Commodity/Year                                       | 1993   | 1994    | 1995   | 1996    | 1997  |
|  |        |         |        |         |       |
| Sesame Seed  | 13,388 | 26,307  | 51,550 | 41,028  | 38392 |
| Cocoa  | 25,278 | 61,180  | 82,674 | 80,222  | 86697 |
| Coffee (Arabica)                                     | N/A    | N/A     | 125974 | 120,000 | 74167 |
| Cotton   | N/A    | 45,000  | 40,972 | 37,757  | 35833 |
| Ginger (Peeled)                                      | 10,745 | 34,906  | 40342  | 59,679  | 63030 |
| Groundnut  | 12,950 | 13,500  | 20,064 | 24,125  | 17797 |
| Palm Kernel  | 10,567 | 14,374  | 18,239 | 22,185  | 16554 |
| palm oil (special)                                   | 20,836 | 98,630  | 66190  | N/A     | N/A   |
| Soybeans   | 11,688 | 12,756  | 18,827 | 30,778  | 28192 |
| Rubber (100% dry lump                                |        |         |        |         |       |
| top quality)   | 24,091 | 34,400  | 53,707 | 51,917  | 56722 |
| Kola   | 27,750 | N/A     | N/A    | N/A     | N/A   |
| Chili Pepper   | 75,832 | 124,970 | 131300 | N/A     | N/A   |
|  |        |         |        |         |       |
| Source : Central Bank of Nigeria Agricultural Survey |        |         |        |         |       |

| Table 9 - Annual Rainfall and Rain Days by State |          |          |          |          |          |          |  |
|--|----------|----------|----------|----------|----------|----------|--|
|  |          |          |          |          |          |          |  |
|  | 1995     |          | 1996     |          | 1997     |          |  |
|  | Rainfall | Raindays | Rainfall | Raindays | Rainfall | Raindays |  |
|  | (Mn)     | (NO)     | (Mn)     | (NO)     | (Mn)     | (NO)     |  |
| States   |          |          |          |          |          |          |  |
| Abia   | 855      | 40       | N/A      | N/A      |          |          |  |
| Akwa-Ibom  | 2,130    | 71       | 1131.4   | 72       | 585.5    | 72       |  |
| Anambra  | 1756     | 96       | 1,570    | 88       | 1474     | 88       |  |
| Enugu  | 892      | 55       | 1,049    | 63       | 2074.9   | 63       |  |
| Bauchi   | 452      | 36       | 842      | 57       | 899      | 57       |  |
| Delta  | 3,033    | 131      | 1,903    | 124      | 2598     | 124      |  |
| Edo  | 1,655    | 91       | 2,539    | 158      | 1765     | 158      |  |
| Benue  | 276      | 19       | 773      | 39       | 1309     | 39       |  |
| Borno  | 271      | 19       | 292      | 25       | 466      | 25       |  |
| Yobe   | N/A      | N/A      | 707      | 12       | 536      | 12       |  |
| Cross River                                      | 3,089    | 155      | 1,399    | 83       | 3210.5   | 83       |  |
| Adamawa  | 287      | 17       | 252      | 24       | 964      | 24       |  |
| Taraba   | N/A      | N/A      | 303      | 12       | N/A      | 12       |  |
| Imo  | 2,576    | 114      | 2,020    | 113      | 1531.2   | 113      |  |
| Jigawa   | 156      | 11       | N/A      | N/A      | N/A      | N/A      |  |
| Kaduna   | 720      | 53       | 1,031    | 82       | 1110     | 82       |  |
| Kano   | 516      | 31       | 434      | 28       | 1250     | 28       |  |
| Katsina  | 68       | 9        | 125      | 24       | 496      | 24       |  |
| Kwara  | 268      | 21       | 617      | 63       | 1014     | 63       |  |
| Kogi   | 791      | 53       | 1,118    | 69       | 666      | 69       |  |
| Lagos  | 773      | 67       | 1,546    | 92       | 257.6    | 92       |  |
| Niger  | 801      | 57       | 797      | 56       | 117      | 56       |  |
| Ogun   | 1,001    | 81       | 1,244    | 115      | 786.5    | 115      |  |
| Ondo   | 1,417    | 87       | 1,436    | 117      | 1245.5   | 117      |  |
| Osun   | 1,398    | 91       | 1,349    | 97       | 1168     | 97       |  |
| Oyo  | 937      | 69       | 1,183    | 83       | 1091.4   | 83       |  |

| Table 9 - Annual Rainfall and Rain Days by State- Contd                 |       |    |       |     |       |     |  |
|---|-------|----|-------|-----|-------|-----|--|
|   |       |    |       |     |       |     |  |
| Plateau   | 728   | 54 | 1,331 | 113 | 1111  | 113 |  |
| Rivers  | 1,101 | 62 | 2,392 | 137 | 2300  | 137 |  |
| Sokoto  | 203   | 15 | N/A   | N/A | 646   | 0   |  |
| Kebbi   | 575   | 28 | N/A   | N/A | N/A   | N/A |  |
| Abuja   | 1,154 | 82 | 1,040 | 87  | 709.3 | 87  |  |
|   |       |    |       |     |       |     |  |
| Average   | 1,030 | 59 | 1,111 | 75  | 1199  | 75  |  |
|   |       |    |       |     |       |     |  |
| N/A = Not Available   |       |    |       |     |       |     |  |
|   |       |    |       |     |       |     |  |
| Source: CBN Annual Report, adapted from Fed. Ministry of Civil Aviation |       |    |       |     |       |     |  |
| Meterological Department, Lagos.  |       |    |       |     |       |     |  |
|   |       |    |       |     |       |     |  |
|   |       |    |       |     |       |     |  |
|   |       |    |       |     |       |     |  |
|   |       |    |       |     |       |     |  |

| Table 10 - Average Rural Market Prices of some Domestic Staple Food |  |        |         |         |        |        |         |         |
|---|--|--------|---------|---------|--------|--------|---------|---------|
|   | Crops in Selected States (Naira per ton) |        |         |         |        |        |         |         |
| State/Crop  | Garri                                    | Yam    | Maize   | Sorghum | Millet | Rice   | Cow pea | Peanuts |
|   |  | White  | Shelled |         |        | Husked | White   | shelled |
|   | ^(1)                                     | (2)    | (3)     | (4)     | (5)    | (6)    | (7)     | (8)     |
| Adamawa   |  |        |         |         |        |        |         |         |
| 1995  | 13,500                                   | 8000   | 5487    | 6,100   | 5,680  | 20,495 | 21,000  | 16920   |
| 1996  | 27,180                                   | 10,050 | 12,516  | 13,280  | 12,930 | 31,950 | 24,700  | 37222   |
| 1997  | 16,250                                   | 13,554 | 14,310  | 10880   | 15030  | 38340  | 44000   | 25670   |
|   |  |        |         |         |        |        |         |         |
| Anambra   |  |        |         |         |        |        |         |         |
| 1995  | 12,000                                   | 9000   | 6,646   | 8,000   | 10,083 | 21,950 | 23,900  | N/A     |
| 1996  | 26,500                                   | N/A    | 18,000  | 20,000  | N/A    | 38,600 | 28,320  | N/A     |
| 1997  | 20,500                                   | 24,250 | 30,660  | 20,875  | 22,625 | 45,860 | 47,240  | 70,130  |
|   |  |        |         |         |        |        |         |         |
| Benue   |  |        |         |         |        |        |         |         |
| 1995  | 14,000                                   | N/A    | 6,423   | 6,700   | 8,540  | 21,827 | 22,000  | N/A     |
| 1996  | 17,000                                   | 17,730 | 14,610  | 11,730  | 14,370 | 37,140 | 31,480  | 15,700  |
| 1997  | 20,000                                   | 19,310 | 14,350  | 17,650  | 21,580 | 42,790 | 47,720  | 22,524  |
|   |  |        |         |         |        |        |         |         |
| Lagos   |  |        |         |         |        |        |         |         |
| 1995  | 13,194                                   | N/A    | 6,667   | 9,300   | 7795   | 19,482 | 24,100  | N/A     |
| 1996  | 19,100                                   | 42,920 | 21,200  | 17,800  | 16,300 | 32,600 | 36,100  | 36,960  |
| 1997  | 21,732                                   | 49,000 | 28,390  | 21,458  | 22,583 | 52,250 | 54,350  | 48,000  |
|   |  |        |         |         |        |        |         |         |
| Niger   |  |        |         |         |        |        |         |         |
| 1995  | 16,341                                   | N/A    | 4,865   | 4,481   | 5,237  | 19,383 | 17,205  | 19,271  |
| 1996  | 23,690                                   | 19,200 | 12,000  | 12,000  | 12,000 | 33,000 | 27,750  | 25,940  |
| 1997  | 19,851                                   | 40,680 | 13,280  | 15,556  | 12,770 | 31,150 | 46,610  | 29,380  |
|   |  |        |         |         |        |        |         |         |

| Table 10 - Average Rural Market Prices of some Domestic Staple Food |  |        |        |        |        |        |        |        |
|---|--|--------|--------|--------|--------|--------|--------|--------|
|   | Crops in Selected States (Naira per ton) - Continued |        |        |        |        |        |        |        |
|   |  |        |        |        |        |        |        |        |
| Ogun  |  |        |        |        |        |        |        |        |
| 1995  | 13,000   | N/A    | 5,800  | N/A    | 6500   | 26,620 | 24,300 | N/A    |
| 1996  | 19,000   | 13,700 | 14,700 | 13400  | 12,700 | 34,000 | 26,000 | 33,980 |
| 1997  | 14,538   | 17,700 | 18,654 | 16,325 | 18,200 | 45,800 | 51,700 | 37,300 |
|   |  |        |        |        |        |        |        |        |
| Plateau   |  |        |        |        |        |        |        |        |
| 1995  | 10,000   | 7,910  | 5,351  | 5,012  | 5,219  | 21,000 | 18,100 | 20,626 |
| 1996  | 18,750   | 8,500  | 12,400 | 12,100 | 13,000 | 27,300 | 24,530 | 37,740 |
| 1997  | 16,300   | 12,000 | 14,520 | 14,150 | 16,600 | 38,450 | 26,200 | 29,290 |
|   |  |        |        |        |        |        |        |        |
| National Average  |  |        |        |        |        |        |        |        |
| 1995  | 12,321   | 10,510 | 6,646  | 6,833  | 7,831  | 21,717 | 22,412 | 22,875 |
| 1996  | 20,605   | 17,528 | 15,322 | 19,037 | 13,026 | 33,730 | 28,194 | 54,800 |
| 1997  | 17,871   | 23,408 | 20,502 | 17,008 | 19,137 | 42,644 | 47,511 | 44,651 |
|   |  |        |        |        |        |        |        |        |
| Source : CBN Annual Report.   |  |        |        |        |        |        |        |        |
|   |  |        |        |        |        |        |        |        |



| Table 11 - Harvest Prices for Principal agricultural commodities |                         |        |         |        |        |        |
|--|-------------------------|--------|---------|--------|--------|--------|
|  | (Naira per metric tons) |        |         |        |        |        |
| Commodity  | Month                   | 1993   | 1994    | 1995   | 1996   | 1997   |
| Palm Kernels   | May                     | 6,000  | 15,000  | 18,239 | 22,185 | 23,500 |
| Palm Kernel Oil  | May                     | 23,000 | 60,000  | 70,000 | 55,000 | 60,000 |
| Palm Oil   | May                     | 17,500 | 100,000 | 66,190 | 40,000 | 45,000 |
| Wheat  | June                    | N/A    | N/A     |        |        | N/A    |
| Cassava  | September               | 2,000  | 2,960   | 6,610  | 6,700  | 6,750  |
| Yams   | October                 | 10,404 | 16,500  | 18,700 | 18,800 | 19,000 |
| Peanuts  | October                 | 14,831 | 20,000  | 20,064 | 24,125 | 24,100 |
| Soybeans   | November                | N/A    | 15,000  | 21,500 | 30,778 | 27,000 |
| Seed cotton  | December                | 20,000 | 45,000  | 40,972 | 37,757 | 35,050 |
| Corn   | December                | 6,606  | 12,000  | 14,480 | 22,000 | 24,000 |
| Rice(paddy)  | December                | 16,000 | 21,717  | 33,730 | 42,644 | 42,800 |
| Millet   | December                | 7,400  | 7,830   | 13,026 | 19,137 | 20,250 |
| Sorghum  | December                | 6,620  | 6,833   | 19,037 | 17,008 | 23,500 |
| Rubber   | December                | N/A    | 35,000  | 53,700 | 51,917 | 55,200 |

Source : Agricultural Affairs Office Research

| Table 12 - Nigeria's Agricultural Exports - 1995-1997 |                    |      |      |                       |          |         |
|---|--------------------|------|------|-----------------------|----------|---------|
| Commodity   | Quantity (1000) MT |      |      | Value (Million Naira) |          |         |
|   | 1995               | 1996 | 1997 | 1995                  | 1996     | 1997    |
| Major agricultural                                    |                    |      |      |                       |          |         |
| Incl. Forest prod.)                                   | 304                | 175  | 691  | 15,512.0              | 17,202.6 | 19826.1 |
| Cocoa   | 46                 | 73   | 22   | 6,227.4               | 7,351.5  | 7818.1  |
| Palm Produce  | 17                 | 11   | 38   | 103                   | 490      | 1283    |
| Rubber  | 125                | 46   | 87   | 4718                  | 5095     | 4067    |
| Pineapples  | N/A                | N/A  | N/A  | N/A                   | N/A      | N/A     |
| Coffee  | 0                  | N/A  | 0    | 20                    | 7        | 28      |
| Fish & Shrimps  | 37                 | 15   | 64   | 1515                  | 1178     | 1631    |
| Cashew Nuts   | 14                 | 3    | 18   | 732                   | 405      | 441     |

|                            |     |     |     |      |      |      |
|----------------------------|-----|-----|-----|------|------|------|
| Spices                     | 4   | 0   | N/A | 20   | 47   | 149  |
| Cotton & Yarn              | N/A | 16  | 454 | 1310 | 1693 | 3360 |
| Other Ag. Products         | 54  | 3   | 0   | 475  | 325  | 135  |
|                            |     |     |     |      |      |      |
| Manufactured and semi      |     |     |     |      |      |      |
| Man. Agric. products       | 2   | 24  | 5   | 1571 | 3116 | 4493 |
| Cocoa Butter               | 1   | 8   | 2   | 371  | 1238 | 754  |
| Cocoa Powder               | 0   | 1   | 0   | 20   | N/A  | 63   |
| Cocoa cake                 | 1   | 6   | 1   | 274  | N/A  | 517  |
| Cocoa Paste                | 0   | 1   | 0   | 20   | N/A  | 63   |
| Wood products              | N/A | N/A | N/A | 798  | 381  | 630  |
|                            |     |     |     |      |      |      |
| Source : CBN Annual Report |     |     |     |      |      |      |
|                            |     |     |     |      |      |      |
|                            |     |     |     |      |      |      |
|                            |     |     |     |      |      |      |
|                            |     |     |     |      |      |      |