

GENERAL AGREEMENT ON TARIFFS AND TRADE

Multilateral Trade Negotiations

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GROUP 3(e) - BASIC DOCUMENTATION

Agricultural Policies

Addendum

NIGERIA

Agriculture is the mainstay of the Nigerian economy, with about 60 per cent of the country's labour force employed in the sector. There is a vast area of arable land on which almost all tropical crops could be grown on account of the varied climatic conditions. The present agricultural policies are governed by the Second National Development Plan 1970-74 and the main aims underlying the policies are the following:

- (i) ensuring food supplies in adequate quantity and quality to keep pace with increased population and urbanization, having regards to changing tastes and the need for fair and stable prices;
- (ii) expanding the production of export crops with a view to increasing and further diversifying the country's foreign exchange earnings so vital in the development process.
- (iii) propagating the production of agricultural materials for extensive domestic manufacturing activities, especially in the field of agro-based industries;
- (iv) creating rural employment opportunities to absorb more of increasing labour force in the nation, and minimizing the tendency for inadequate and inefficient use of human resources in the rural areas generally;
- (v) evolving appropriate institutional and administrative apparatus to facilitate a smooth integrated development of the agricultural potential of the country as a whole.

Federal assistance to agricultural development

The Federal Government has confined itself to research activities in primary production. Although agriculture continues to be the mainstay of the economy yet the traditional methods of cultivation, problems of transportation, storage, credit, marketing and a host of other problems continue to make the agricultural sector a major bottleneck to national development, since the past and present rates of growth of other sectors are much lower than those of other sectors. The Federal Government has therefore decided to play henceforth a more dynamic rôle in the development of primary production. Three areas have been identified as those in which Federal assistance to agriculture would be provided namely:

- (i) Grants for the development of agriculture, including forestry, livestock and fishing.
- (ii) Federal Governments participation in Special Agricultural Development Schemes.
- (iii) Establishment of the National Agricultural Credit Institution.

The total Federal assistance is estimated at £26 million during the plan period.

Grants to the States

Agricultural grants of 34 million, was earmarked for the States in the plan period 1970-74. The priority area will include the following:

- (a) seed multiplication scheme;
- (b) improvement of extension services;
- (c) provision of other chemicals-pesticides, fungicides, herbicides, etc.;
- (d) provision of fertilizers;
- (e) tractors and other related agricultural implements;
- (f) irrigation equipment;
- (g) supplementary feeds for cattle, poultry and other livestock;
- (h) fishing equipment including motorized boats;
- (i) food and meat storage facilities and
- (j) agricultural publicity and information.

Special Agricultural Development Scheme

Under this programme, the Federal Government aimed to participate in projects which:

- (a) cut across State boundaries;
- (b) clearly serve the Federation as a whole in form of reduction and elimination of agricultural imports;
- (c) provide much needed food supplies or industrial raw materials of agricultural origin required within the Federation, e.g. cotton and sugarcane;
- (d) pre-investment activities such as aerial and topographical surveys and mappings, soil surveys, etc. 6 million have been earmarked for this programme.

National Agricultural Credit Institution

The Nigerian Agricultural Credit Bank which has just been set up will assist the farmers particularly in the area of co-operative farming and agricultural marketing co-operatives. The Bank will make money available directly to the co-operative societies, credit-worthy farmers and the State Governments.