GROWTH ENHANCEMENT SUPPORT SCHEME (GESS) AND THE CHALLENGES OF FOOD SECURITY IN NIGERIA: A REVIEW

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ABSTRACT
Considering the fact that Nigeria’s food insecurity status keeps increasing and with the recent estimates which puts the number of hungry people in Nigeria at over 13 million out of 842 million hungry people worldwide, This paper highlights the Growth Enhancement Support Scheme (GESS) of the Agricultural Transformation Agenda of the present administration viz a viz the food security situation of the country using relevant information and data collected from the internet, literatures, dailies, libraries, relevant federal ministries, National Bureau of Statistics and Food and Agricultural Organization (FAO). The findings revealed that Growth Enhancement Support Scheme is an innovative approach to fertilizer subsidy and other input administration through electronic system that ensures that only registered farmers benefit through engagement of the private sector in the delivery and distribution of fertilizer and other input directly to the farmers. Analyses of the Nigerian government effort in tackling food insecurity and the prospects of Growth Enhancement Support Scheme have also been highlighted. Resistance of bureaucrats to change, over dependence on foreign institutions, low technical capacity of farmers and downgrading of National Research Institutes and Universities research findings are the major challenges of the scheme. To sustain this laudable effort of government, this paper recommended an enabling legislation backing the scheme, review of the traditional land tenure system that hinders the acquisition of land for farming, increase government expenditure on agriculture and continuity of the programme without misplacing its priority. These are key issues that will bring about the success of the scheme for the attainment of food security in Nigeria.

Keywords: growth enhancement support scheme, food security, agricultural transformation agenda, challenges, fertilizer, Nigeria.

INTRODUCTION
Agricultural policy in Nigeria has witnessed several changes since the colonial and post independence years (Yusuf, 2004). Agricultural policies and programmes were usually centered on stimulating great activities in certain specific aspects of agricultural production system. Before independence, emphasis was on the production of cash crops, such as rubber, cotton, groundnut, palm and cocoa, but after dependence, the production of cash crops, such as rubber, cotton, groundnut, palm and cocoa, but after dependence, the rising food shortages shifted focus to food crops production.

However, despite various efforts geared towards agricultural development, it has been estimated that 65% of Nigerians are living with hunger as food production growth is still as low as 2.5% per annum, while food demand have been growing at the rate of 2.8% per annum (Ogundari and Ojo, 2007). As observed by Olajide et al. (2012) only less than 50% of the Nigerian arable land is under cultivation. There is high incidence of poverty among participants in agriculture, who are mostly rural based. In relation with GDP, the share of the agricultural sector has been less than 45% since 1986 (CBN, 2003); this is because the Sector is dominated by peasant farmers who rely mainly on traditional method of farming and crude implements for cultivation (Nji Forti, 2008). Hence, there is evident stagnation in the growth and productivity of the agricultural sector in Nigeria. Analyst identify policy inconsistencies and too much emphasis on production without due consideration to other value chain requirement as the cause of low productivity in Nigeria’s agricultural sector.

The dissatisfaction derived from the performance of the agricultural sector, the failure of some agricultural programmes and the need to provide a well articulated domestic agricultural policy to serve as a key for the development of Nigeria’s agriculture have made the government of Nigeria in 2011 to launch a policy document known as Agricultural Transformation Agenda (ATA) (FMARD, 2011). The launching of this policy document was expected to be a roadmap in solving fundamental problems associated with the agricultural sector (Akinwumi, 2011).

GESS is a component of the Agricultural Transformation Agenda (ATA). It is an innovative approach to fertilizer subsidy and other inputs administration through an electronic system that ensures that only registered farmers would benefit from the scheme. It is meant to change the mentality of Nigerians to boost food production, the income of farmers as well as the value accorded to locally produce agricultural products.

Nigeria spent about ₦1.3 trillion annually to import basic food, ₦635 billion on wheat, ₦356 billion on importing rice, ₦271 billion on sugar and ₦71 billion importing fish (FMARD, 2012). This constitute a huge drain on the nation’s income with its untold negative effect on the balance of trade. GESS is therefore targeted to produce 20 million tonnes of food by 2015 (Akinwumi, 2011), which will help to reduce government spending on importation. It is against this background that this paper seeks to analyze the Growth Enhancement Support Scheme vis-a-vis the Nigerian food security status, the
FOOD SECURITY STATUS OF NIGERIA

Since 1960, Nigeria government has been striving to be one of the food secured nations. However, this was not achieved. The food self-sufficiency ratio fell from 98% in early 1960s to less than 54% in 1986, 18% of the population (14.4 million) was estimated to be critically food insecure in 1990 and increased to 36% (32.7 million) in 1992 and 40.7% in 1996 (Babatunde and Oyatoye, 2005). The country food insecurity status keeps increasing and the recent estimates put the number of hungry people in Nigeria at over 53 million, just less than 30 per cent of the country’s total population estimated at 160 million (Azubuike, 2012).

In the 1960s, the country relied on income from agriculture to provide infrastructure and run services until the end of the first republic. Also in the 1960s, the country was self food sufficient to the extent that crop seedlings were exported to other countries. Nigeria was the largest producer and exporter of groundnut and palm fruit to the country like Malaysia, the second largest exporter of cocoa after Ghana; and the largest exporter of cotton in West Africa (Nigeria Elite Forum, 2012). Her current status of food security may not be unconnected with the consequence of a very long neglect of the agricultural sector by various governments in Nigeria. The Global food security index which evaluates a country’s ability to feed its people on the basis of the key determinants of food security - affordability, availability and quality in 2011, however ranked Nigeria as the 80th food insecure nation out of 105 countries studied. About 65% of Nigerians are food insecure (that is, do not have sufficient access to the amount and variety of food for a healthy and productive life; 64% of its population is reported as living below the international poverty line of $1.25 per day (UNICEF, 2010), about 40% of children under the age of five are stunted; 9% are wasting and 25% are underweight, owning to widespread deficiencies in Vitamin A, Iron and Iodine and general poor food lifestyle (Abubakar, 2010).

Further evidence of food insecurity and high rate of hunger in Nigeria is revealed by high rate of children undernourished (27% percent) in 2003-2009, under 5 mortality rate per 1,000 live births was 155, 151, 147, 143 in 2007, 2008, 2009 and 2010 respectively (UNICEF, 2010), owing to nutritional deficiencies and illnesses particularly malaria, diarrhoea, acute respiratory infections and vaccines preventable disease (Bryce, 2005). Between 2005 and 2007, about 6% of Nigerians were undernourished and net receipts of cereals as food aid dramatically rose to 3,500 tonnes between 2004 and 2006 (FAO, 2011).

Results from the Global Hunger Index (GHI) which based it computation on calculated average (in percentage) of the proportion of the undernourished as a percentage of the population shows that the prevalence of underweight children under the age of five and the mortality rate of children under the age of five indicates a kind of lack of improvement in government efforts at fighting hunger in Nigeria. GHI for Nigeria was 24.1 percent in 1990 and 21.2 percent in 1996 showing an alarming hunger situation (20.0 and 29.0) (GHFPR, 2011). Nigeria was ranked 20th out of the 42 African countries studied on the 2006 Global Hunger Index (GHI); 46th out of the 84 developing countries captured globally for the study in 2009 (Abubakar, 2010), but fell to 15.5 percent (serious hunger situation) out of the total of 122 developing countries and countries in transition analyzed in 2011 (GHI/IFPRI, 2011), thus contributed 5.7 percent of hunger problems in the world. Nigeria is also one of the largest importers of food in the world (NIALS, 2011), spending over $10 billion annually importing wheat, rice, sugar and fish. Imported foods include wheat ($165 billion), fish ($105 billion), rice ($75 billion) and sugar ($600 billion). This is an evidence implying that the country is yet to be food self-sufficient capable of undermining food security. This implies that, Nigeria merely produces about 50 percent of its food items and the rest are supplemented by food importation.

ANALYSIS OF NIGERIA GOVERNMENT INTERVENTION AGAINST FOOD INSECURITY

Nigeria government since independence in 1960 had established and launched several policies, programs and project in order to be self-food sufficient, food reliant and food secure. Some of the major interventions include the establishment of Agricultural Development Project (ADP) in the mid 1970s. The project was designed to increase crop production through rural development, its focuses on improved technology, increased supplies of farming inputs, and improvement of infrastructure. In 1972, government also embarked on Farm Settlement Scheme and National Accelerate Food Production Programme (NAFPP) to make the country self sufficient and food secured. The River Basin Development Authorities (RBDA) was established in 1975 to undertake the construction of dams, dykes, as well as to arrange for seed certification. Operation Feed the Nation (OFN) was also launched in 1976, to increase local food production and thereby reduce food imports. As part of the programme, Nigerians were encouraged to cultivate empty plot of lands to boost agricultural production.

In 1977, Agricultural Credit Guarantee Scheme (ACGS) was established to provide guaranteed loans granted by banks to farmers to boost agricultural production and agro-allied processing, in 1978 there was land Use Act to remove the bottle-neck in land acquisition for intended farmers, while in 1979, there was banned in importation of many foods, including fresh milk, vegetables, roots and tubers, fruits, and poultry along with exportation of milk, sugar, flour, and hides and skins was also banned. Green Revolution was launched in 1980s to...
ensure self-sufficiency in food production and introduction of modern technology into the Nigerian agricultural sector. Between 1985 and 1987, importation of wheat, corn, rice and vegetable oil were all banned to encourage greater attention to the agricultural sector and encourage local production. In 1986 the Directorate of Food and Rural Infrastructure (DFRRI) was established to influence the performance of agricultural related project in rural areas to boost food production. The Structural Adjustment Programme (SAP) was established in 1986 to restructure and diversify the production base of the economy so as to reduce the over dependency on the oil sector and imports. Also in 1986, government marketing boards were abolished and a free market in all agricultural produces was established.

The National Center for Agricultural Mechanization (NCAM), a government parastatal was set up in the country for manufacturing tools, importing machinery and training of farmers. Furthermore, the National Seed Policy (NSP) was established in 1992 to provide guidelines for the development of seed subsector, it seeks to support varietal improvement, testing, registration, release, multiplication of released seed varieties, and improve the quality of seeds sold to farmers. Also established in 1992 was National Agricultural Land Development Authority (NALDA). The agency provided subsidy of up to 67% on mechanized tillage operation and a marginal relief to drudgery inherent in farm operations in the country. Nigerian Agricultural, Cooperative and Rural Development Bank (NACRDB) was also established in the year 2000 and tasked basically with financing at both the micro and macro levels. It was mandated to meet the funding requirements of Nigerians in the agricultural sector to foster increase food production and subsequent food security. National special programme for Food Security (NSPFS) was launched in 2001 with the main objective of improving national and household food security and reduce rural poverty in an economically and environmental sustainable way. National Agricultural Development Fund (NADF) was established in 2002 and was tasked to promote agricultural research and development.

In 2005, the Nigerian government was assisted by the World Bank to establish the Fadama Project, designed to enhance agricultural production and value addition to small holders and rural entrepreneurs in the status under the Fadama programme. The programme is to provide support for water management systems in low lying flood plains, so that farming can continue in the dry seasons. The project brought about the adoption of simple, low cost irrigation technologies that helped farmers achieve substantial rise in production of horticultural crops. National Food Reserve Agency of Nigeria (NFRA), a parastatal of the Ministry of Agriculture, was established in 2007 to oversee Nigeria’s food security strategy. The agency has regional offices in each of the country’s six geopolitical zones. It aims to store 5% of national food output to ensure supply in the event of a food crisis. It oversees the National programme for Food Security, promises the involvement of the private sector in agriculture and facilitates farmers’ access to agricultural machinery and feedback.

In September 2008, the Federal Ministry of Agriculture and Rural Development launched a new National Food Security Programme to bring about sustainable access to affordable and high quality food for all Nigerians. The government set aside USD 1.3 billion for the programme, with the short-term objective of raising agricultural productivity by shifting from traditional subsistence farming to commercialized agriculture. Reform of the fertilizer sector to make it more transparent and targeted at farmers has also been launched with the introduction of electronic wallet initiative called fertilizer voucher system.

CHALLENGES AND FUTURE PROSPECTS OF FOOD SECURITY IN NIGERIA

Some of the challenges of food security in Nigeria according to FMAWR (2008) have been attributed to several factor such as; small area of cultivated land by farmer with less than 2 hectares for cropping; sub-optimal supply of agricultural inputs such as fertilizer which has been put at 7kg/hectare; limited access to credit, and less than 10 percent of irrigable land is under irrigation. The report further revealed that Nigeria loses significant value of between 15-40 percent of products from its inability to process most of it agriculture production. Added to these factors affecting food security was the global food price calamity of 2007/2008. This had negative implications for food security in Nigeria. Between May 2007 and May 2008, prices of Nigerian major staple foods such as rice increased by 107 percent, and gari by about 60 percent (Nigeria Food Security Portal, 2012; FAO, 2012). Lack of continuity in government and frequent policy changes is also another problem observed to have affected Nigeria food security. For example, between 1979 and 2012 the country had three military and more than five civilian regimes. At the federal and state levels, the then Ministers and Commissioners of Agriculture were changed several times on the average of one per two years. Several policy measures were initiated and changed without sufficiently waiting for policy effects or results (Ugwu and Kanu, 2011).

The extremely low share of government budget to agriculture which is below the international standards is also putting food security at risk. Between 1977 and 1980s Nigeria spent between 1% to 1.3% of its National budget on agriculture; this rose to 6% in 1983, but decreased to 3% in 2011. The proportion of agricultural expenditure to total budget is half of the Figures as compared to 28 years ago. Most agricultural institutes are in a sorry state, as they suffer from decaying and obsolete infrastructure due to lack of adequate funding.

Other challenges as observed by Nwanolue and Iwuoha (2012) include natural factors such as climate change, drought, flood; human activities such as deforestation, over concentration on bio-fuel (made from conversion of certain food items), environmental criminality and corruption, government failures at tacking desert encroachment and land conflicts problems which
have impacted negatively on food security. Before the introduction of payment voucher system, the procurement and distribution of fertilizer had been hijacked by influential politicians who divert a large portion of it to the market at a higher price. The subsidy granted by the Federal Government thus ended up in the politicians pocket whilst the farmers, the target beneficiaries were denied the benefit. For instance, fertilizer subsidy introduced as far back as 1970 in Nigeria, as been evaluated by United State Department of Agriculture (USDA) has been largely unsuccessful and only caused distortion in distribution channels, inefficient and under-funded delivery systems, which prevented the subsidy from reaching small-scale farmers and supplies were often sold to those with political connections who in turn resell the fertilizer at much higher prices in the market (GAIN, 2012).

As laudable as the mandate of NALDA is as contained in its Act, NALDA was unable to translate the mandate into reality due to poor management and usurping duties or duplicating the jobs of other agricultural organizations in the country (Akinsola and Oladele, 2004). The country has the potentials of been food secure with her huge arable land of about 84 million hectares out of which only 30 million hectares is currently under cultivation.

AGRICULTURAL TRANSFORMATION AGENDA AND THE GROWTH ENHANCEMENT SUPPORT SCHEME

The Agricultural Transformation Agenda of the present administration was launched in 2011 after the present administration took over the rein of power. It is aimed at a proactive change in the practice of Agriculture and its perception in the country in several ways. For the first time in post-civil war, agriculture is being treated as a purely business oriented economy rather than a development programme (Osinowo, 2012). In time past, interventions in agriculture has been largely dominated by access to credit, robust extension effort and provision of basic farm inputs, but this has steadily and drastically reduced with the end of World Bank financing of the State Agricultural Development Programmes. It is still believed that agriculture is the life wire of Nigerian economy, contributing between 30-40% to the gross domestic product and providing employment for the vast majority of the populace especially those in the rural area. However, a policy framework for increasing the strength to release its vast potential for employment generation, economic development, food security and poverty alleviation was elusive (Osinowo, 2012).

However, the Agricultural Transformation Agenda (ATA) with its core critical objectives of a value-chain approach and its linkages with key changes in food and trade policies appear to be making impact since its inception (Osinowo, 2012). Government is poised at enhancing efficiency through competition and creation of an enabling environment for a private sector-led survival and modernization of Nigeria agriculture. The development of agricultural key value-chains-such as provision and availability of improved inputs, increased productivity and production, establishing a well established staple crop processing zone, reduce post-harvest losses as well as improve linkages with the markets are all centered on increased productivity. The Growth Enhancement Support Scheme (GESS) is one of the many critical components of the Federal Government Agricultural Transformation Agenda. It was designed for the specific purpose of providing affordable agricultural inputs like fertilizer and hybrid seeds to farmers in order to increase their yield per hectare and make it comparable to world standard. It is an innovative scheme which seeks to remove the difficulties usually associated with the distribution of fertilizer and hybrid seeds in the country. In the past, there were complaints of diversion, exorbitant cost and adulteration of various inputs, which ultimately led to low productivity, increased poverty, unemployment and lack of interest in farming.

The scheme approach is to target beneficiaries through the use of electronic system and by encouraging the engagement of the private sector in the distribution and delivery of fertilizer and other critical inputs directly to the farmers. With a strong determination to break away from the rot of the past and the ineffective, inefficient and corruption ridden distribution of fertilizer and other government subsidized inputs to farmers, the President mandated the Federal Ministry of Agriculture and Rural Development (FMARD) to come up with the mechanism that will be farmers friendly and get fertilizer and other inputs directly to the real farmers. However, the thrust of the scheme is to enhance the capacity of the farmers who could not afford a bag of fertilizer and seedlings.

The scheme has the following objectives.

- To remove the usual complexities associated with fertilizer distribution.
- To encourage critical actors in the fertilizer value chain to work together to improve productivity.
- To enhance farmers income and promote food security.
- To shift provision of subsidized fertilizer away from the general public to genuine small-scale farmers.

Under the new system, the Federal Government is no longer in the business of buying and disturbing fertilizers and seeds; no longer award fertilizer and seed contracts. The system is designed to enable farmers receive fertilizer allocation notices through their mobile phones, which is meant to make the commodity easily accessible and to cut off middlemen.

Other programmes introduced under the ongoing Agricultural Transformation Agenda (ATA) in order to provide credit to Nigeria farmers was the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL)- a joint initiative programme by the government. The Ministry of Agriculture mitigates against the impact of natural disaster on losses of agricultural investments by facilitating low-interest credit to farmers.
through commercial banks and the liberalization of the insurance sector to increase farmers access to cost effective agricultural insurance schemes in the country. Government had also made a move to establish marketing corporations to coordinate the production, investments, grade and standards, market price stabilization, etc. for all value chains in Nigeria. Other government incentives to support investors in agriculture include: zero percent duty on agricultural machinery and equipment imports; removal of restrictions on areas of investment and maximum equity ownership in investment by foreign investors; removal of currency exchange controls; free transfer of capital profits, dividends; provision of constitutional guarantee against nationalization/expropriation; provision of pioneer tax holiday for agricultural investments and infrastructure support, for power, water and electricity (Akinwumi, 2012).

The Federal Government is already implementing nation-wide activities with State Governments to improve the value chains for our crops, especially rice, cassava, maize, soybeans, sorghum, cotton, cocoa, oil-palm, fisheries and livestock.

The Federal Government under the GESS programme approved the sum of N30 billion in 2012 for the implementation of GESS to small scale farmers in the country. The pilot version of the scheme has been inaugurated and the fund is expected to run for 4 years (2015). Each year 5 million farmers will be targeted, the total subsidy quantum of between 25%-50% will be borne by the states that have opted to participate in the programme and 25% will be from the Federal Government.

It is expected that each farmer will receive one bag of urea and NPK fertilizer. Small farmers are the main target at the moment and the benefit derivable from the programme include availability, accessibility and affordability of agricultural inputs. While this initiative is highly commendable, genuine for the realization of a robust agricultural sector. Nigerians are urging government not to allow the sector saboteurs to divert the funds, which has been the case in many past projects, but to employ a community based approach in making sure that the resources involved get to reach the genuine farmers (Emmanuel, 2013).

The Minister of Agriculture described GESS as a saving grace for the Nigeria agricultural sector in 2012. Nigerians would have seriously felt the impact of the flood disaster that occurred in some parts of the country, if not for the GESS (Emmanuel, 2013).

CHALLENGES AND CONSTRAINTS OF GROWTH ENHANCEMENT SUPPORT SCHEME

Osinowo (2012) identified institutional, political, managerial, economical and social issues as the serious challenges and constraints facing the sustainability of the Agricultural Transformation Agenda and the Growth Enhancement Support Scheme. These challenges include:

- Resistance of bureaucrats to change, over dependence on foreign institutions and models, relegation of the findings of Research Institute and Universities, high interest on agricultural loans, and farmer’s low technical capacity.

THE PROSPECT OF THE GROWTH ENHANCEMENT SUPPORT SCHEME

It is no gain saying that the Growth Enhancement Support Scheme of the Agricultural Transformation Agenda of the present government will create the capacity for moving subsistence farmers into a commercialized system that would facilitate trade and competitiveness which have been the dream of Nigerians for over five decades. It will also serve as a stimulus for modern economy and enhance rural income. If this policy framework is religiously pursued, it will also reduce Nigeria food import bill and stimulate agricultural export. Indeed it will stimulate the growth of the agricultural sector and by extension the economy. Although it may be too early to evaluate the successes or otherwise of GESS given the fact that it is barely two years, however reactions from various stakeholders in the agricultural sector are pointers to a step in the right direction. Major players in the agricultural sector who attended the 40th regular meeting of the National Council on Agriculture (NCA) in Abeokuta, Ogun state and those present at the public hearing on agric-related bills pending before the house of representatives in Abuja have spoken extensively on the implementation of GESS. The programme started in 2012 and registered about 12 million farmers throughout the federation in that same year, for direct redemption of farm input through e-wallet (FMARD, 2013). The FMARD also disclosed that about 4 million farmers were registered in 2013.

Following the implementation strategic plan of the scheme, it is obvious that the scheme is the brain child of Nigeria. It is therefore home grown and it is expected to benefit primary producers especially the rural farmers who produce over 70% of the agricultural commodities as well as other participant in the value chain. The scheme is also private sector driven and it is also expected to serve as a catalyst for modernizing the Nigeria economy.

RECOMMENDATIONS

- To sustain this laudable effort of government, the planning of food production should be a conscious collaboration among several groups, namely state government, private enterprises, training and research institutions and, non-governmental organization.
- There should be an enabling legislation backing the Agricultural Transformation Agenda and Growth Enhancement Scheme.
- In addition, the traditional land tenure system that hinders the acquisition of land for agriculture should be reviewed.
- There should also be continuity of the programme without misplacing its priority.
- Also, policies that would increase the productivity of small holder farmers should be given adequate attention.
CONCLUSIONS

There is no doubt that various administration in Nigeria have continued to pursue policies that will ensure overall agricultural development for Nigeria to be self-sufficient in domestic production. Though the impacts have already been felt, but such impacts were minimal. For GESS, the expectation is that with full commitment of all the three tiers of government to agriculture, through the policy objectives of GESS the scheme will bring out the best from both the small and large scale farmers all over the country. Effort at all levels should be made to make the scheme sustainable. The scheme will be more functional, efficient, generate employment, enhance farmer's income and reduce poverty and at the end make food security a dream come true.

SUGGESTIONS

The forgoing discussion has clearly indicated that the key issues in the scheme’s success are institutional support, legislative backing and increase share of government budget to agriculture. The scheme will also play a primary role in increasing farm productivity and enhanced income of rural farmers. Traditional land tenure system that hinders the availability of land for farming should be reviewed and continuity of the scheme without misplacing its priority is paramount.

SCOPE FOR FURTHER RESEARCH

The following issues are critical for further research.

a) Socio-economic analysis of the participants or beneficiaries.
b) The input use efficiency of the participants.
c) The role of mobile phone technology in improving farm-level productivity.
d) The impact assessment of the scheme on productivity and rural-livelihood.
e) The value-chain analysis of some key food crops in Nigeria.

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