

AN OVERVIEW OF THE NIGERIAN RICE ECONOMY

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INTRODUCTION

- Nigeria's Population – about 130 million
- Agriculture contributes 40% of GDP
- Major staples – Yam, cassava, sorghum, maize, millet and rice
- Rising per capita rice consumption, about 10% per annum
- Rising domestic production and imports
- Government intervention occurs.

RICE PRODUCTION

- Area cultivated and output are rising
- Yield is also rising, but, increased output is due mainly to expansion in area cultivated

Fig. 1: Area Cultivated and Rice Output in Nigeria

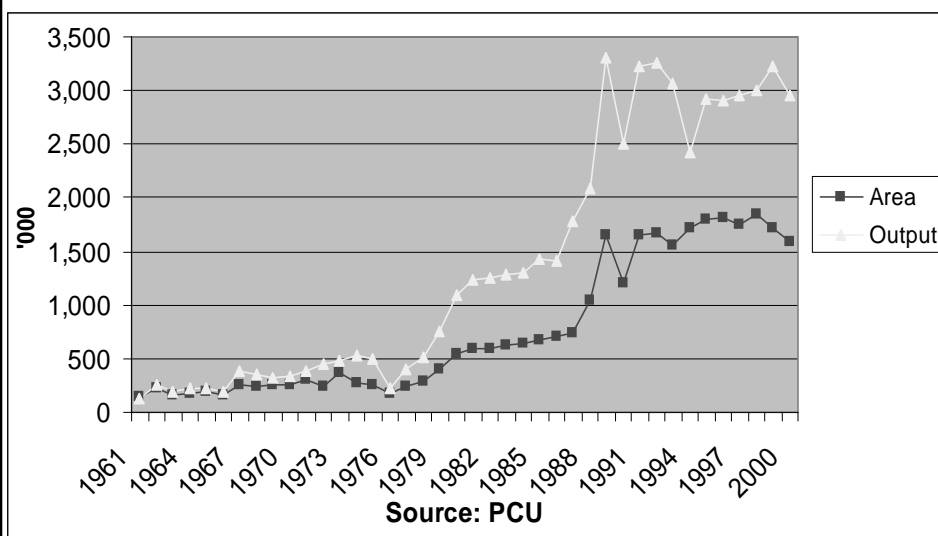
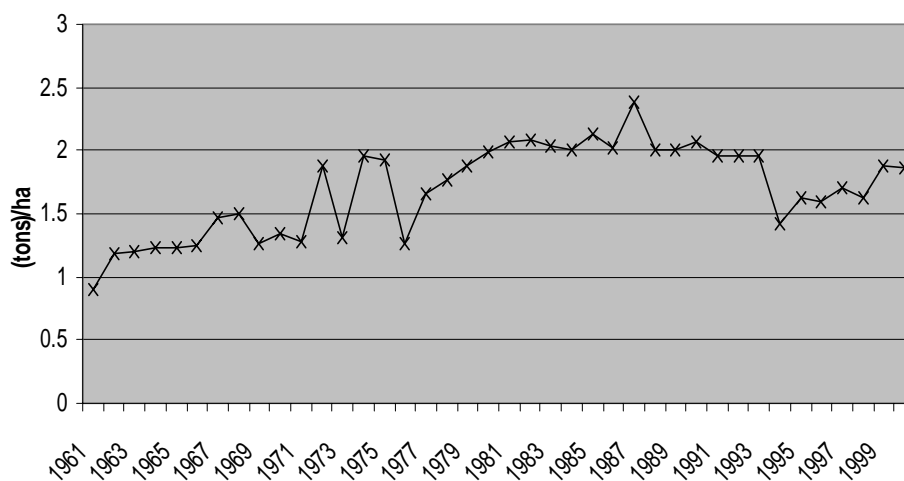


Fig. 2: Yield of Rice in Nigeria



Source: PCU

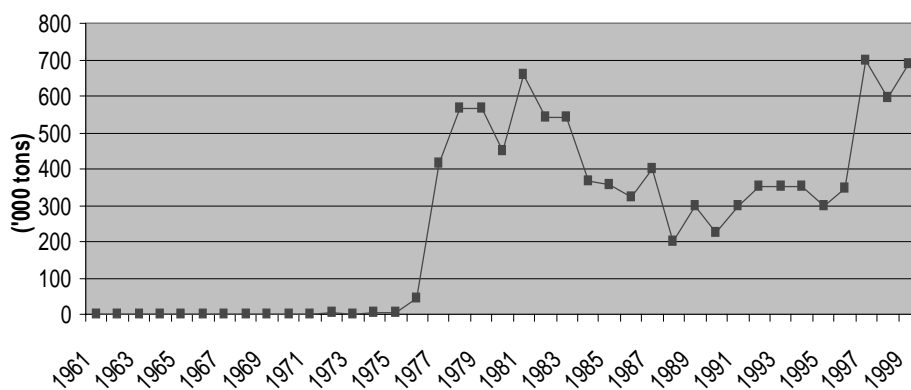
Table 1: Rice Trends in Nigeria and the Rest of West Africa

Indicators	Means 1961 – 75	Means 1976–83	Means 1984 – 95	Means 1996 – 99
Nigeria				
Production	332 800	806 222	2 306 794	3 189 833
Import	2 036	420 756	334 974	525 307
Self-reliance ratio	99%	54%	77%	79%
Total Consumption	178 199	833 640	1 599 609	2 248 113
Per capita consumption	3	12	18	22
West Africa without Nigeria				
Production	1 779 376	2 344 073	2 822 635	4 041 384
Import	416 183	894 073	1 760 884	2 107 146
Self-reliance ratio	65%	56%	42%	50%
Total Consumption	1 178 753	1 950 821	2 973 885	3 985 721
Per capita consumption	21	27	30	34

RICE IMPORTS

- Not significant in 1960s and early 1970s
- By mid- 1970s, rice imports were very significant
- Nigeria today imports about 1 million metric tons, spending nearly US \$300 million

Fig. 3: Quantity of Nigeria's Rice Imports



Source: FAO STAT

Fig. 4: Value of Nigeria's Rice Import

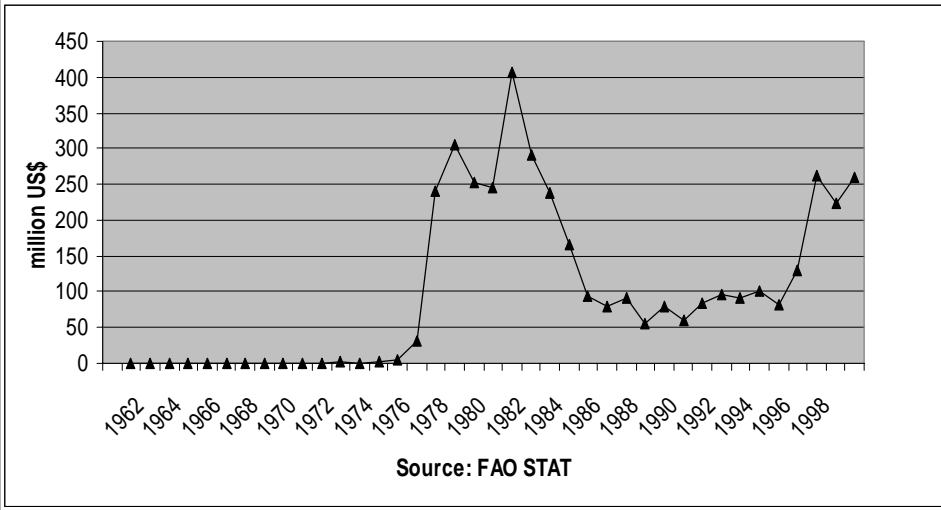
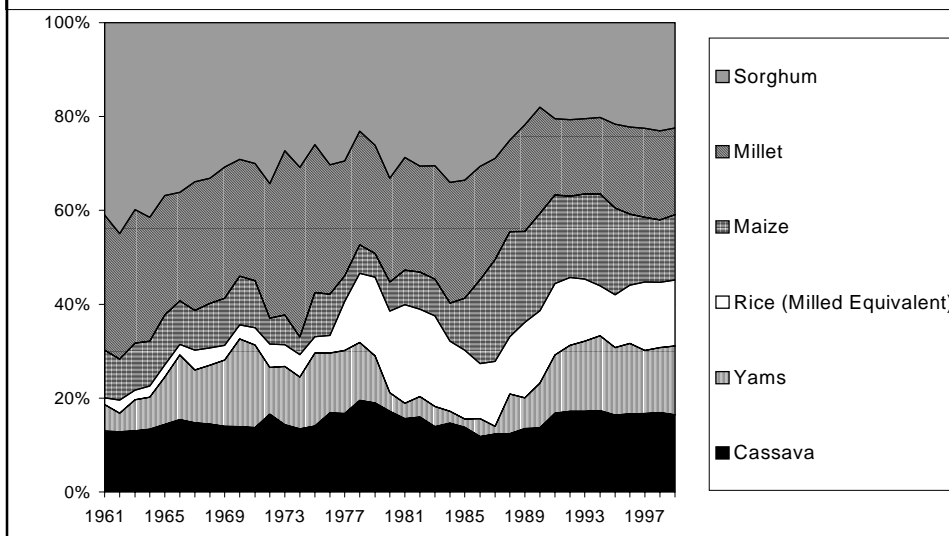


Fig. 5: Evolution of the share of the main staples in Nigerian average food consumption in calories terms.



RICE DEMAND

- **Demand is soaring, due to :**
 - **Increasing population**
 - **Rising income levels**
 - **Rapid urbanization**
 - **Changes in family occupational structure**
- **Per capita consumption per annum is about 24.8kg**
- **Rice consumption represents about 9% of total calorie intake**

PROFITABILITY

- **Rice production is profitable in Nigeria:**
 - **across rice-based production systems**
 - **in relation to other crops**
 - **under different technologies of production**

ENVIRONMENTAL ISSUES

- **There is a national policy on environment, but no direct link with the problems associated with agricultural production**
- **Bush burning as a method of clearing farmland is discouraged**
- **Most Nigerian rice growers use little improved varieties, little fertilizers and little agrochemicals**
- **Rice cultivation in Nigeria is not more intensive than other crops**

Period	Policy Measures
Prior to April 1974	66% tariff
April 1974-April 1975	20%
April 1975-April 1978	10%
April 1978-June 1978	20%
June 1978-October 1978	19%
October 1978-April 1979	Imports in containers under 50kg were

Table 2 (continued)	
Period	Policy Measures
January 1980	Import license issued for 200,000 tones of rice
October 1980	Rice under general import license with no quantitative restrictions
December 1980	Presidential Task Force (PIF) on rice was created and it used the Nigerian National Supply Company to issue allocations to customers and traders
May 1982	PIF commenced issuing of allocations directly to customers and traders in addition to those issued by NNSC
January 1984	PIF disbanded. Rice importation placed under general license restrictions

Table 2 (continued)	
Period	Policy Measures
July 1986	Introduction of SAP and the abolition of Commodity Boards to provide production incentives to farmers through increased producer prices
1995	100%
1996	50%
1998	50%
1999	50%
2000	50%
2001	85%

RICE POLICY

- (a) Trade Policy – Nigeria has employed trade measures such as Tariff, import restrictions and outright ban at various times

OTHER POLICIES AFFECTING THE RICE SECTOR ARE

- Exchange rate policy (in respect of imports)
- Fiscal policy and public spending in agricultural sector
- Fertilizer policy
- National seed policy
- Land policy

INTERNATIONAL POLICY ENVIRONMENT

- No AoA reduction agreement
- No regional trade agreement on rice
- No bilateral trade agreement

POVERTY PROGRAMME

- NAPEP (National Poverty Eradication Programme)
- NEPAD (New Partnership for African Development)