

An Appraisal of the Impact of Smallholder Agricultural Commercialisation on Rural-Urban Migration in Nigeria

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Abstract

Agriculture is the primary source of employment for rural dwellers in Nigeria. Commercialisation of the smallholder farmers increase the number of employment created in rural areas. Rural-urban migration is attributed to government neglects of agricultural sector and lacks of economic opportunities in rural areas. This paper examines the impacts of smallholder agricultural commercialisation on rural-urban migration in Nigeria using secondary data. The paper showed that commercialisation of smallholder agriculture leads to increase in income of the rural households and creating employment for rural dwellers to reduce rural-urban migration. The paper recommends that government should provide accessible financial loans scheme to support smallholder agricultural commercialisation. Government should have a policy reform that will foster private-public partnership investment in agriculture and agribusiness in the country. Special funding model to support youth led agricultural initiatives should be establish in the Nigeria. Agricultural Extension System should be well-funded to support smallholder commercial farmers.

Keywords: Agriculture, commercialisation, smallholders, rural-urban migration, Nigeria

1 Introduction

Rural-urban migration is the massive movement of youths from the rural areas to the urban areas in search of a better opportunities (Pam, 2014). It is a response to different economic opportunities that exist in the urban area (Amrevurayire and Ojeh, 2016). The movement of youths out of the rural areas negatively impact on the rural economy. It leads to chronic poverty and food insecurity (Amrevurayire and Ojeh, 2016). It reduces agricultural productivity through losses of productive labour force in the rural communities (Ofuaku, 2012). People migrate in response to prevailing conditions (Ofuaku, 2012). Migration is a selective process affecting people of various ages' with certain economic, social and educational characteristics (Adewale, 2005). Rural-urban migration in Nigeria is attributed to the wide dichotomy in development between the rural and urban areas. It is seen as creating pressure for urban infrastructures, environment and employment (Awumbila, 2014). The emigration rate of youths out of Nigeria is linked to the level of poverty, underdevelopment and unemployment in rural areas. The Nigerian situation requires a peculiar model relevant to addressing the problem of poverty, agricultural stagnation and underdevelopment conditions in the rural areas. However, according to the push and pull model, population pressure is a pushing factor for people to migrate (Lee, 1966). In the Nigerian situation people move, not certainly because of population pressure, but because they need a place or environment where they will have steady growth and a better life. For instance, people move from rural areas with less population to densely urbanized cities like Lagos, Kano, and Port Harcourt. They are pulled to these cities because they have more access to better educational facilities, quality health care, better business opportunities and social amenities (King, 2012, p. 13). Moreover, the level of underdevelopment in the rural areas resulting from the various government neglects and the urban biased development polices of the various policy makers over the years has led to the wide dichotomy between rural and urban areas: the rural areas are characterised by lack of infrastructural facilities, such as roads, water supply, electricity, health facilities and industries (Ibietan & Oghator, 2013, p. 300).

On the other hand, the two sector model (Lewis's, 1954) has been presented as one that does not spur on broad-based development, in particular to the rural poor. In the two sector model the poor rural dwellers are always relegated to poverty miseries, and their sustainable livelihood is taken for granted. In spite of the theoretical clarification of the model, the reality of developing countries has not followed the locus of this model. The real and serious problems of the developing countries, in particular Nigeria, such as poverty, urban unemployment and agricultural stagnation have never surfaced in the Lewis two sector model itself (Karshenas, 2004, p. 8). In fact, Lewis's (1954) two sector model does not envision a process of development which benefits the rural poor nor push them out of poverty. Its main focus is to initiate development to the industrial sector. The poor rural inhabitants are supposed to benefit through wages and employment opportunities in the modern sector, although such benefits are peripheral and may not necessarily lead to growth above subsistence levels. This has led to serious grilling on an alternative path of development to affect the majority of rural poor in Nigeria and create employment for many youths and the rural dweller, thus bringing about a sustainable change in the rural economy. However, as farming is the major occupation of the rural dwellers in Nigeria, transformation of agriculture, namely, to make it more productive through investment and innovation will be a step in the right direction. It is important that more immediate gains in the welfare of poor rural households can be achieved, and

some of their critical constraints of meeting their basic needs can be overcome (Ele et al., 2013, p. 49). This paper examines the impact of commercialisation of smallholder agriculture on rural-urban migration in Nigeria.

2. Reviews of relevant literature

Agricultural commercialisation refers to the process of increasing the proportion of agricultural production that is sold by farmers (Agwu, 2012, p. 392). Commercialisation of agriculture ensues in different forms on the output side of production with increased marketed surplus or occurs on the input side with increased use of purchased inputs. Commercialisation of smallholder farmer is a process of transformation from the production for household consumption to increase production for market purpose (Ele et al., 2013). Commercialisation of the smallholder farmer in Nigeria will bring about an increase in the income of the farmers, increase in food security and reduction in rural poverty. It is seen as a powerful means to increase rural household income and food access and reduce the risks of income shortages (Emilola et al., 2016, p. 479). African Development Bank (2016) noted that more than 60% of Africa people live in the rural areas, and they depend on agriculture for employment and for their daily livelihood. Increase in investment on agriculture and transformation in the sector will create more opportunities in the sector, which could be the driver of inclusive growth in the country. Commercialisation of agriculture and further development of agriculture into business will help to reduce unemployment in the rural areas and create a sustainable wealth among the rural dwellers. Previous studies shown that increase in agricultural production in the country will have direct positive effect on the poverty level. Increase in smallholder agriculture access to market will play a significant role in combating poverty in the nation. According to African Development Bank (2016) investment in agriculture is a key to making Nigerian youths prosperous there by creating employment and wealth for the growth of rural economy. Thus, curtailing the tide of rural-urban migration in the country. In this study, commercialisation of smallholder agriculture is the process of increasing the capability of production from household subsistence to market-oriented production.

2.1 Study Area

The study was carried out in Nigeria. Nigeria is one of Africa largest and most populated country with an estimated population of 186 million. The country is in West Africa, and is bordered by Niger, Benin, Cameroon, Chad and the Atlantic Ocean. Nigeria has a terrain which is coastal swamps and tropical forest in the south, and in the north savannah and semi-desert (Iheke, 2012). It shares maritime borders with Ghana, Equatorial Guinea, and Sao Tome and Principe. The principal religious groups in Nigeria are the Muslims in the north and the Christians in the south. Nigeria has a total land mass of about 923,768 square kilometres, including about 13,000 square kilometres of water. Nigerians centre their social relations on ethnicity, and ethnic affiliations is a strong determining factors for getting any appointment and political representative (Anugwom, 2000, p. 46).

3. Methodology

This study was conducted using personal observation and secondary data. The study depends comprehensively on secondary data as a means of gathering the relevant information for the study. The secondary sources includes Material from, World Bank, Africa Development Bank (ADB), Central bank of Nigeria (CBN), journals /publication and other published materials from textbooks etc. Qualitative research method was employed in the study to provide deeper understanding of the commercialisation of smallholder agriculture in Nigeria. The study utilised textual analysis of the existing literatures relating to the commercialisation of agriculture in Nigeria. Several researchers have done numerous studies in trying to understand the concept of commercialisation of agriculture in Nigeria, thus there are many information on the concept of agricultural commercialisation. But they are not directly about the commercialisation of smallholder agriculture in Nigeria, they provide numerous sights into the concept which will be used in this current research.

4. Discussions

4.1 Toward agricultural led economic growth.

Since rural areas in Nigeria are dominated by small-scale farmers, commercialisation of the smallholder agriculture will be an indispensable pathway toward economic growth and development. It is recognised that agricultural commercialisation and investment are key strategies for promoting accelerated sustainable growth and development and hence poverty reduction, improvement in the living standard of rural dwellers and job creation (Agwu, et al., 2012, p. 392). Further, according to the World Bank (2007), agriculture-led development is succeeding in providing applicable alleviating strategies to rural poverty. A broad-based agriculturally led strategy of economic growth will always bear significant fruit. The economy-wide effects of a dynamic agricultural sector can help reduce poverty and increase food security in the country. Thus, a direct agriculture growth would lead to sufficient development to alleviate poverty. This means that any strategy to reduce poverty and unemployment in Nigeria should target the poor themselves and therefore should have the smallholder farmers in focus. In Nigeria, about 80% of the farmers are smallholders and their production capacity falls

between 0.1 and 4.99 hectares (Mgbenka et al., 2016, p. 43). Agriculture has the potential to directly improve the living standards of poor rural residents. The prospective of agriculture to spur development is validated by the Green Revolutions in Asia, where agriculture has been transformed from a traditional sector to a modern sector through state intervention (Poulton et al., 2010, p. 14). In Bangladesh and India, agriculture has shown potential to stimulate broad-based economic growth and development. Also, in Indonesia, agriculture had played a significant role in providing jobs for the majority of the labour force (Md. Ataul et al., 2011). Also in Vietnam in 1980 there was a rapid decline in poverty resulting from the reforms that was targeted at the smallholders through agricultural communalisation (Janssen, 2018). Further, the advocates of agriculture for development postulate that the poor performance of agriculture in many developing countries reveals inadequate investments and policies that are factually biased against agriculture (World Bank, 2007).

However, smallholder farmers are considered as the most appropriate mechanisms of sharing wealth and development, particularly in a country like Nigeria, where about (65%) reside in rural areas (Pam, 2016). Investing in smallholder farmers lowering inequalities among countries and within countries. Redistributing agricultural growth has the potential to start development and share it with the poor rural smallholder farmers (Wiggins et al., 2010). The 'engine for growth' and broad based poverty reduction in the rural economy in Nigeria, can only be in the form of agriculture, in particular commercialisation of the smallholder as a remedy to rural poverty, food security and youth unemployment in the country. To support share growth and job creation in the rural areas in Nigeria investment in smallholder commercialisation agriculture must be the focus (Zibah and Oyakhilomen, 2014).

Moreover, growth brought about by agricultural commercialisation is significant in poverty reduction if the process of commercialisation is inclusive and broad based, with several smallholder farmers benefitting from the process (Kirsten et al., 2012, p. 2). The process of agricultural commercialisation involves the introduction of the smallholder farmers to specialised enterprises such as crops and livestock in which many farmers are assisted to change from subsistence farming to produce for market, irrespective of the scale of production. Moreover, smallholder commercialisation mostly leads to an increase in the variety of marketed commodities both crop, poultry and livestock at the national level and increased specialisation at the farm level which lead to increase in agricultural income crucial to stimulate growth in the overall economy (Ele et al., 2013, p. 49; Zibah and Oyakhilomen, 2014).

4.2 Current constraint to smallholder commercialisation in Nigeria

In Nigeria, presently, smallholder farmers are constrained by many problems such as those of poor access to credit, modern agricultural inputs (such as fertiliser, higher yield seed, equipment, technologies and machineries), and poor rural infrastructure, inadequate accesses to market, land, and extension services (Olukunle, 2013). It will be difficult under the current limitations for farmers to have access to market and enjoy the benefit of commercialisation. Thus, the government needs to provide a better environment and remove the various limitations and constraints that the farmers are faced with currently (Ele et al., 2013, p. 49). In a country such as Indonesia, the state provided a policy matrix, which safeguarded the growth of the agriculture sector through a subsidy policy together with market and extension reform. If the Nigerian government could replicate a similar strategy of the Indonesian policy matrix by introducing agricultural subsidy policy which would assist smallholder farmers, such measures would go a long way in removing the constraints and limitations that they currently encounter. It will enhance growth and development in the agricultural sector. However, The Green Revolution in Asia was engineered and led by the state in the provision of inputs and agricultural policies targeted to encourage production, particularly by smallholder farmers. This policy brought feasibility to the agricultural sector in Asia.

4.3 Benefit of smallholder agricultural commercialisation to rural economy

Commercialisation of smallholder farming in Nigeria will make agriculture attractive to the youth in the rural areas and enable the farmers to earn a good livelihood. It will be able to create sustainable employment for many rural households. However, for the process of agricultural commercialisation to be a key strategy for sustainably reducing rural poverty and creating employment in Nigeria, the dimension of commercialisation needs to be broad based and must be a state-led initiative and investment. The initiatives must be supported and led by government with massive rural infrastructure investment schemes to facilitate agricultural commercialisation. Agriculture needs a reorientation in the country to be treated as business which create wealth, with the public sector creating an enabling environment for the private sector led (African Development Bank, 2016).

The manoeuvre of the consensus on agriculture for rural development, mainly in the development realms, requires all-embracing interrelation of all the relevant stakeholders. However, development in rural area does not occur in a vacuum but rather in a policy environment determined by all levels of government and other stakeholders, which include the local, state, national, political and economic conditions (Kirsten et al., 2012, p. 1). Thus, it should be stressed that for agriculture-led development to materialise, the various levels of

government (local, state and national) in Nigeria has to play active roles in setting a clear policy environment that will enable smooth business operations. Also required is their direct participation in the rural economy that can stimulate and effectively lower rural marketing transaction costs. In achieving such institutions, the state has to include the private sector and the rural producing organisations in its institutional policy, all with well-defined, clear roles and responsibilities. Agricultural commercialisation in Nigeria has to be done from a developmental perspective. The government needs to provide support in the form of subsidies to the commercial smallholder farmers, such as the fertilizer subsidy scheme, financial accessibility and soft loan scheme which is specifically focused on the smallholding commercialise farmers example, demonstrated by Dr. Akinwumi Adesina when he was minister of agriculture, when the fertiliser subsidy focused directly on the smallholder farmer, which enable him/her direct access.

4.4 Policy interventions

The government should make a provision for a system through which the smallholder farmer can improve efficiencies in all areas comprising access to input, high yield seeds, marketing facilities, storage facilities and provision of infrastructure and skill training and transfers. Also, the Nigeria government and other stakeholders' intervention are required in the development of the output market in considering an extensive range of delivery systems and institutional structures within which they provide financial services. Further, the Nigeria government should intervene in the buying and stocking of produce from the smallholder farmers. The smallholder farmers should get a good price during the harvesting period when the farmer over-produces, and be supported to accumulate the staple crop as a reserve for food security (Mgbenka et al., 2016, p. 52). This will encourage the farmer to produce and reduce the losses they incur. However, if the commercialisation of the smallholder is to be a success in Nigeria, the government should partner with private sector participations in the area of roads and infrastructures development, research and development, extension services, formulation of policy and regulating framework that will support the smallholder farmer to develop a market oriented agriculture that will be commercially viable and sustainable (Kirsten et al., 2012). Mgbenka et al. (2016, p. 52) stress that lack of reliable access to credit is a major constraint to improving smallholder farm operation in Nigeria and enhancing the livelihoods of rural household. Thus, the Nigeria government should give adequate priority and firmness to resolving the problem of microfinance to create a better access to the credit in the rural areas. The importance of government assistance in the provision of water irrigation facilities to the smallholder farmer in the rural area is needed for them to overcome the problem of rainfall, and to plant crops throughout the year. Moreover, the government should motivate research institutions to carry out more research and equip them to disseminate research findings to support the improvement in agricultural practice and product. To ensure this is achieved, the government should provide more financial support to smallholder farmers for practical application of the research findings. Also there is need for a policy framework in Nigeria which would encourage the role of the private sector to contribute their part in the provision of infrastructural facilities in the rural communities. Without adequate rural infrastructures, commercialisation of smallholder agricultures will be difficult to actualise in Nigeria. Besides that, the federal government should establish a Rural Development Trust Fund (RDTF) to assist in the reduction of the infrastructure development gap in rural communities. Thus, the provision of different social services such as better medical facilities, water, and electricity to the villages, would increase the quality of life in rural communities and help reduce the amount of flow of the rural population to cities. The Federal Government of Nigeria (FGN) should formulate a national development policy for rural areas for a period of fifteen years with specific aims and objectives, which must be implemented for the period, despite the change in government. This would eliminate the poor rate of programmes' implementation, which has affected most programmes in the past. This would help to develop a rural policy framework that will increase the creation of job opportunities in the rural areas through government and the private sector partnerships to establish a new business enterprise such as fruit processing factories, meat product industries and poultry farms and other non-agro business industries.

In addition, there is the need for government to create a unified rural development strategy that would help increase rural agricultural productivity such as the introduction of new farm technology, improvement in the distribution of fertilisers, to rural farmers, provision of adequate agricultural extension services to the rural farmers and improve access to financial faculties and credit. This strategy will address some of the constraints to smallholder agricultural commercialisation in the country.

5. Conclusion and recommendation

The above narratives will assist in the creation of jobs for an active population in the rural areas and bring an improvement to rural economic activities in Nigeria. Thus, enhance the performance of the rural economy which will help decrease the flow of rural-urban migration as well as empower the youth to diversify more into agricultural business. It will also contribute toward a growth and development in the rural economy. The Nigeria government should encourage the youth by creating a special youth led agricultural initiative in the country.

These initiatives should be supported specifically by a funding model that will encourage agricultural youth scheme and attract more youth into agricultural sector. Nigeria food security depends greatly on the smallholder farmer in rural areas. Attracting the youths into agricultural sector is critical for rural development and food security in the country. Therefore, government needs to create an enabling environment through policy reforms for an increased participation of private investment in agricultural sector and agribusiness in the country. There is a need for a comprehensive rural development policy in Nigeria, which should be able to address the common issue of poverty, unemployment and underdevelopment in rural communities. This is necessitated by the fact that a greater percentage of the Nigeria population live in the rural areas, which is about 65% (Pam, 2016). Therefore rural economy plays a significant role in the economy of the country. Also, the fragmentary approaches to rural development that is currently the case in the country would not generate the required development and growth needed in the rural communities to improve the living standard control the rate of rural urban migration. The request for a rural development policy which is rational and practical in content with communities participatory in its formulation and implementation is needed in Nigeria. Also, a bottom up approach strategy must be introduced in the implementation of the integrated rural development programme. A single rural development institution should be established with the responsibility for coordinating all rural development projects in Nigeria. Currently, there is a whole array of government departments and agencies responsible for the execution of rural development programmes in Nigeria. A single body would help reduce the duplication of effort and increase the effectiveness of the implementation of the programmes and increase the maximum utilisation of the available resources in the country. Another convincing strategy is for the government and other interested stakeholders to place more emphasis on policies to help the development of rural areas; this would assist in reducing the development gap between the rural areas and the urban centre by providing the basic amenities in rural communities. This strategy would help improve the standard of living and increase economic activities among the rural dwellers and as such, discourage the relocation of people from the rural areas to the cities.

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