ABSTRACT

Public Agricultural Extension services is becoming too expensive to finance by some developing countries. The external donors are gradually withdrawing while alternative ways of funding public extension is now being sought. Options include; charging for government extension services, reduction in public extension-expenditure or complete privatization of the services. This paper therefore examines the practicability of implementing private extension in Nigeria. It also discusses the various private extension services in other countries and the influence of globalization and liberalization on privatization of extension services. Necessary steps to take for the implementation of private Agricultural Extension services in Nigeria are highlighted. In all, ethical revolution, formulation of extension policy through legislative action, road map for coordinating extension programmes, private/public extension varietal trial and support from Research council and Agricultural Development Fund were recommended.

Key words: Private extension services, public extension services, liberalization and extension policy.

Introduction

Two prominent international exponents of Agricultural Extension suggested that, sustained high levels of agricultural production and income are not possible without an effective agricultural extension service supported by agricultural research that is relevant to farmers’ needs (Benor and Baxter, 1984). This statement has greatly influenced the perception, belief and commitment of donor and recipient nations throughout the world (Ekpere, 1991). “That is financial donors and recipient nations have the belief that agricultural extension is a desirable institution for the development of sustainable agricultural productions system and food security, as such commit huge amounts of money to boost food production in the recipient nations. The World Bank which is the main donor in agricultural and rural development in Africa is also the main source of external financial assistance for agricultural extension. For example the Bank earmarked US $150 million (N24.755 billion) annually for financing 30 Agricultural Extension Projects between 1990 and 1994 in 27 countries, 16 of which are African countries. In assessing the effect of money spent on these projects, a study was conducted by World Bank in 1992 on the impact of extension on the agricultural economy. The conclusion was that, “it has a positive and considerable effect”. The rate of profitability of agricultural extension in Africa, Asia and Latin America where public extension services are most popular is supposed to be between 34 and 80% which is far from the rate of 100% achieved in the United States where technical and agricultural information is bought like an input or a piece of equipment (Moise, 1994).
In essence, project experience, over the past twenty years has fueled debate concerning the role of public sector in agricultural extension strategies to increase agricultural productivity and alleviate rural poverty. The most significant shortcomings of public agricultural extension in, general have been unresponsiveness to the variation in farmer’s needs, lack of ownership by intended beneficiaries, limitation in the quality of field and technical staff unstable policy and political support as ascertained by Idachaba (2005) that: “The old Anyigba Agricultural Development Project was denied needed political support by the then Benue State Government which led to its atrophy”.

The most prominent argument against public Agricultural Extension Services is high and unsustainable public costs. A study conducted and published in 1992 by the World Bank revealed that about 60 percent of the general costs of the agricultural projects. Financed by World Bank were absorbed by the extension components while the governments of the benefiting countries were responsible for an average of 18.5 percent of the total cost of the projects (Moise, 1994). In effect, external financial assistance for agricultural extension projects is as high as 80 percent of the total cost in 1992 to maintain a supposedly permanent governmental administrative structure.

It is therefore obvious that financial capability to pursue extension activities when external funding has come to an end is a problem. Government has therefore realized that they are less able to continue providing all the extension services expected of them as a result of financial limitations. Many countries have therefore resorted to alternative structural arrangement either by reducing public extension expenditures, charging for government extension services, shift burden of the associated cost to private organizations or completely privatizing extensions services. It is against this backdrop that this paper seeks to discuss how agricultural extension services are being managed in Nigeria. It is pertinent to therefore ask the following questions. Are the extensions services under public service like basic education or health services? Are the services free of charge? If yes, should extension services remain permanently free of charge? Are the extension services a source of economically and financially lucrative information that can call for privatization of such services? If so, what should be the role of the government in public or private extension services? What influence does globalization and liberalization of trade has on agricultural extension services in Nigeria? What are the methods used to implement privatization of extension services in other countries? Can privatization of agricultural extension succeed in Nigeria? In pursuit of these questions, this paper attempts to address the following issues:

i. examine the state of agricultural extension services in Nigeria;
ii. discuss privatization of agricultural extension services in the era of globalization and liberalization;
iii. explain the modes of operation of private extension services in other countries;
iv. propose guidelines for the implementation of private extension services in Nigeria.

Nigeria’s Agricultural Extension Services:

Nigerian, probably has the most elaborate extension system in Sub-Saharan Africa. With a population of over 140 million and 71 million hectares of arable land. The agricultural research system comprises of 17 commodity-based research institutes, and a special national extension institute over 45 faculties of agriculture in conventional federal, state and private universities, three universities of agriculture, several colleges of agriculture/polytechnics. It also includes three international agricultural research centers viz: International Institute of Tropical Agriculture (IITA), a sub station of International Crop Research Institute for Semi-Arid Tropics (ICRISAT) and a sub station of International Livestock Research Institute (ILRI) (Okwu and Ejembi, 2001). All these institutions collectively or individually serve as the fountain of agricultural innovations for both public and private agricultural extension service providers. In Nigeria, agricultural extension service has been mainly public. Currently the major provider of public sector agricultural extension services is Agricultural Development Programme (ADP) in each of the 36 states of Nigeria.

The pre-ADP Extension Services were presumed to be ineffective and could only provide limited services to majority of farmers in the basic farming enterprises. This formed the basic fact underlying the removal of the extension service from the civil service system and the introduction of Agricultural Development Project (Ekpere, 1991).

Enclaved Agricultural Development Projects were first established on trial basis with World Bank funding in Funtua, Gusau, Gombe, Anyigba, Lafia, Bida, Ilorin, Ekiti-Akoko and Oyo-North between 1974 and 1982. The outcome of trials was good as ADP was adopted in all the states of the federation including Abuja. The World Bank-ADP approach has been used in Nigeria to re-organize the management of agricultural extension system for effective performance. The main features is the training and visit extension system which state ADPs use. The system include a single line of command, a well defined geographical boundary of operation for each extension worker, a supervisor to supervise ratio of not more than 1:8. Other characteristics include systematic programme of short training courses, removal of all-non agricultural extension monitoring and provision of adequate transport facilities. These feature ensure flexibility and prompt decision-making devoid of regular civil service bureaucracy.
The performance of the extension services since the inception of this professional system has been encouraging. Extension contacts with farmers have increased, several technologies have been disseminated and adopted by farmers (Oyebanji, 1994). Idachaba (2005) also asserted that Anyigba ADP greatly transformed the lives of Igala people through the revolution in extension services delivery. However, Mijindadi (1992) observed that some prevailing problems existed and limited the effectiveness of the extension system. The problems include: insufficient funding at state level, inadequate availability of inputs, poor logistics support and inadequate staffing.

The issue of poor funding becomes critical after the withdrawal of external funding as revealed in a study by Agbam and Okagbare (2005) who explained that the effects of expiration of World Bank funding were noticeable in the inability of Ogun State Agricultural Development Programme (OGADEP) to provide enough vehicles and motorcycles for its agricultural extension work, irregular payment of traveling claims, ill-motivated field-staff, reduced training session for village extension workers and reduced technology review meetings. For instance, 51.2% farmers were given extension services fortnightly during World Bank assistance when funding sources were 71.8% from World Bank, 15.9% from State Government and 6.8% from International Fund for Agricultural Development (IFAD) and 15.9% from Federal Government of Nigeria. But this fortnight extension services fell to 40% after cessation of World Bank assistance. However, OGADEP was still able to make significant patronage by looking inward for survival, while ensuring that no aspect of the extension activities was privatized.

Current Private Extension Services in Nigeria:

Besides the general government extension programmes in Nigeria, there also exist some private extension programmes for the advancement of agriculture. The foremost participants in private extension services are United African Company (UAC), John Holt, Nigerian Tobacco Company (NTC) and Diocesan Agricultural Development Programme of the Catholic Diocese of Ijebu-Ode among several others who became involved in agricultural production, processing and marketing some decades ago (Adedoyin 1995).

Recently, Green River Project of the Agip Oil Company, Ciba Geige Agro-Chemical extension outfit and Olam Nigeria Limited (formally Agro Millers) at Makurdi Benue State, Nigeria have been found to inject positive changes into the life of the communities where these private companies located their extension programmes (Akele and Chukwu, 2004; Isife and Madukwe, 1999). A common extension method employed by these private organizations include farmers’ participation in programme planning and implementation, input service delivery (seed, herbicides and fertilizers) and marketing incentives to enhance technology adoption.

Informal private sector is another dimension to privatization of extension services. The Informal Sector denotes private organizations that provide various extension services in the area of agro-seed, agro-chemicals, agro-processing, micro financing, farm tools and agric-consultancy with the aim of making profit from the ventures. However, farmers are not directly charged fees for extension services received. The informal private sector is so called because of its simple structure and mode of operation of the organization can be limited to just husband and wife, two or more brothers coming together to form the organization. The mode of operation is devoid of complex bureaucratic procedure. This structure allows flexibility and prompt response to the needs of the clientele. In a research conducted by Okoro et al. (2006) in Abia State comparing the effectiveness of agricultural extension services between Informal Private Sector and Public Extension Services, revealed that most of the informal private practitioners are retired agricultural officials and/or self employed graduates with small staff strength. Inputs are sold along with extension services. Relationship between the informal private sector operators and farmers is mostly on individual basis; 85% of the farmers got extension information from informal private sector while 71.4% of the respondents attributed growth in farm size to the efforts of the private extension service providers.

98.5% of the farmers got gift like crate of eggs from the private extension operators as a kind of public relations service. In summary, private extension services appear to provide timely and appropriate services in terms farmers’ need. This is in tandem with the reasons advanced for agricultural extension privatization. Advocates of private extension service believe that it improves efficiency, improves public finance, and encourages competition and private sector participation. However, poor road network, inadequate finance on the part of the private agricultural extension practitioners, farmers inability to buy inputs and poor educational status of farmers resulting in low adoption of technologies are the constraints affecting private extension services. It is important to point out that privatization of extension services in Nigeria is still in the form of increased private sector participation in provision of agricultural extension service and not a transfer of state owned asserts to the private sector. Nigerian Government has no guidelines regulating activities of private extension service providers at the movement.
Privatization Of Agricultural Extension Services In The Era Of Globalization And Liberalization:

Definition of Globalization affects all countries of the world in such a manner that it is now a concept that generates debate in international circles. The globalization process is all-embracing and includes human migration, trade in goods and services, movement of capital across national boundaries and integration of financial markets. It is a process that has been driven by the rapid development of communication, technological innovations (agricultural technology inclusive) as well as major changes in public policy and economic management (Ajegi, 2005).

Liberalization is a supportive economic concept to globalization. It is the hub necessary for the effective implementation of the globalization process. Liberalization which was initiated in 1947 under the General Agreement on Trade and Tariffs (GATT) is now replaced by the World Trade Organization (WTO) since 1993. Nigeria is currently an active participant in globalization and trade liberalization as evident in her membership of International Monetary Fund (IMF), International Labour Organization (ILO), her subscription to the African Union Charter and even the New Partnership for African Development (NEPAD). Nigeria has been a member of World Trade Organization (WTO) since 1995. In compliance with globalization and liberalized economic programme, Nigerian government has commenced privatization, commercialization and economic deregulation of her public institutions.

The objective of World Trade Organization which is playing the operational role in liberalization process is to raise standard of living and incomes, ensure full employment, expand world production and trade in goods and services. World Trade Organization (WTO) is supposed to boost the world’s Gross Domestic Product (GDP) by an estimated $6 billion within the next one-decade. One of the key requirements is removal of subsidies and barrier free economy to allow free flow of goods and services across countries. This is supposed to stimulate comparative advantage, increase public and private investment toward lower food prices. It has been observed however that domestic policy distortion and support for subsidies and internal price stabilization remain high among members of Organization of Economic Cooperation and Development (OECD) which consist of USA, Canada, Britain, France, Italy and Japan. Total support for agricultural crops amounted to US $311 billion in 2001 in the OECD countries which was roughly equal to the GDP of all countries in sub-Saharan Africa. Of this support, 69 percent is administered via price support and output payments.

Recent actions in the United States and European Union make it unlikely that overall support will be further reduced (Merlinda and John, 2004). Throu and Kilman (2002) asserted that many United States cotton growers may have received half of their income from the government in 2002. He further said “the recent study which estimates that the increased U.S. cotton production due to subsidies and consequent lower world prices are responsible for a reduction in revenue to West and Central African countries of about US $250 million annually. Privatized Agricultural Extension Services may become less attractive to farmers in West and Central Africa that are losing as high as $250 million annually on cotton export due to subsidies from US Government. As such, if there is no profit incentive for production of a specific crop, there is no point in developing or transferring improved technology related to that crop. Unfortunately there is no sign now and in the immediate future that OECD countries will reduce subsidies on some major agricultural produce.

Another part of concern is that, there is no distinction between subsidies to promote food security and those meant to increase export of farm products. The expectation is total removal of subsidies on such inputs as fuel, electricity, fertilizers without any price support. This situation may increase cost of production and unhealthy competition between unsupported local food producers in developing countries and the heavily aided food producers from developed countries. In essence the rural poor farmers may need more fund to meet up with the present cost of production of staple food. If such additional cost cannot be met by buy improved technology, agricultural extension services may not receive due attention from farmers even if the services are free of charge. As such WTO agreement is not in favour of a developing nation like Nigeria. Ahiuma Young, 2002 in Ojiane (2005) supported the opinion that WTO agreement was designed to favour technology driven, capital intensive and export oriented economies rather than agro-based monocultural and import dependent economies like Nigeria. This explains why after over ten years of WTO membership, Nigeria’s productive capacity has been further eroded. The effects are quite noticeable in sectors like textile, leather, food, and beverages where unrestricted importation of cheaper goods are dumped into the country to compete with locally produced ones thus threatening local industries. Low capacity utilization, factory closure, and mass unemployment as a result of low sales by Nigerian manufacturers are the aftermath of WTO membership.

President Obasanjo in his address at the 4th Conference of African Ministers of Trade in Abuja on 22nd of September, 2001 said the term of trade regarding restrictions, market access and tariff on commodities of export interest to Africa are deteriorating (Ujah, 2001 in Ojione, 2005). In line with this unimpressive comments on our export situation is the fact that Nigeria’s real export growth declined by – 1.3% between 1998 and 2001 and declined further to – 18.3% in 2002 (African Development Bank, 2003). In effect, the
Nigerian economy is not competitive and thus not strong enough to withstand the aggressions from the developed countries and as such the influx of goods into Nigeria may be on the increase. If the influx of goods continues and the protection of the local industries are not guaranteed, Nigeria will remain a dumping ground for items that local industries can immediately provide.

Farm produce that are supposed to serve as raw materials for the affected local industries will not be economically viable to invest in and as such farmers may not be motivated to receive message on agricultural innovations that concern the affected crops and livestock. For instance in a study conducted by Oboh and Nzewa (2005) on removal of fertilizer subsidy revealed that farmers are now able to get the commodity much timely and adequately but at a higher cost; thus, not many farmers could afford it and the cost-benefit ratio becomes very slim. The experience may not inspire those who cannot afford the cost of fertilizer to continue the adoption of fertilizer based innovations. Pathetically, this group of farmers are subsistence farmers that form 65 percent of the Nigerian farming population and adopt mainly low cost technologies. Agricultural extension may not be profitable at this instance for private sector participants.

**Private Extension Services In Some Countries Of The World:**

Privatization of extension in developed countries where the circumstances of farming and farmers are quite different from he developing countries has become an acceptable and effective instrument of agricultural transformation. In the developed countries, there is increase in the number of educated farmers and they have a relatively smaller population of rural farmers. They also have a well-developed communication and market infrastructure. The environment is therefore friendly for global competition on agricultural produce.

In view of its comparative advantage, the Agricultural Development and Advisory Services (ADAS) in England and Wales, notionally “commercialized” and operates on a partial cost-recovery basis, such that 50 percent of its income are received from commercial fees (Harter, 1992 in Williams and John, 1997). In 1990, Netherlands “privatized” approximately one half of its public extension service by transferring field extension personnel, with initial government. financial support to the farmers associations for research and privatized extension services linkages between public research organizations and private extension services. However, policy preparation, implementation, promotion and regulatory tasks remained under the control of Ministry of Agriculture (Le Gonis, 1991 in (Williams and John, 1997).

New Zealand’s Ministry of Agriculture and Fisheries Advisory Services now operates under user pay commercial criteria while the employees now receive commissions for consulting services rendered. In Chile, since 1990 extension to medium and large-scale farmers has been executed by a private farmer’s group and is now totally privately funded. The Agricultural Development Institute (INDAP) of the Ministry of Agriculture in Chile reaches a large number of small farmers through an extension programme that is publicly funded and privately executed through private technology transfer firms. In Costa Rica, there now exist a devise by which government gradually divest from agricultural extension. Ministry of Agriculture in Chile is re-organized in a way that some extension personnel are moved to the private sector and government provides training to the private extensionists. The project intends to provide private technical assistance to small and medium scale producers through an Extension Voucher Pilot Programme. Farmers will trade vouchers for individual and group technical assistance. In Zaire (Africa), extension is partially funded by the Government.

**Suggested Guidelines for Privatizing Agricultural Extension Serves in Nigeria:**

**Ethical Revolution:**

First and foremost a fairly high ethical standard is the baseline required to move Nigeria from the current self centred, nepotic and fraudulent manner of managing public resources toward the establishment of a virile nation that is reliable for business transaction throughout the globe. It is on this note that I strongly recommend that the anti-corruption commission be fortified to make it more efficient such that the public can have confidence in the ant corruption commission and sanity can return to this nation at this moment of need. If and when corrupt practices are reduced to a manageable level, the existing, wide gap between improved technology and current farm practices will reduce through prompt attention of extension agents to the needs of the farmers while inputs like herbicides, inorganic fertilizers and improved seed will be delivered directly to the practicing farmers and not the political farmers who may divert or resell farm inputs to the less privilege.
Formation of Agricultural Extension Policy:

Under a strong and healthy economy agricultural extension is supposed to be self financing for sustainability. However, in a developing country like Nigeria production level fluctuates rapidly, there is high inflation rate, unemployment, low cost/benefit ratio of agricultural projects due to deregulation and subsequently removal of subsidies, high cost of input and little or no price support. These conditions call for a revisist of the agricultural extension policy of Nigeria. There are sometimes contradictions between national development policy and the interests of the vast majority of the rural poor who are engaged in agricultural production. Extension policy should be formulated through a participatory approach. This process could be initiated by professionals from the public (National, State and Local Governments representatives) and the private sector, with the active participation of farmers themselves. Extension policy effected through Legislative action is here by suggested. Countries that have enacted extension policy through legislative action tend to have well-organized, financially stable extension systems that have sustained effectiveness and good cumulative impact. Examples of such include the legislation that established the Cooperative Extension Services in the United States known as Smith-Lever Act of May 8, 1914 which remain the most widely recognized system for the diffusion of innovations in the world (Contado, 1997). Similarly, the Japanese Agricultural Promotion Law of 1948, has also been found to enhance extension effectiveness in Japan. In Africa we have Zimbabwe’s Department of Agricultural, Technical and Extension services established by law in 1981.

In Nigeria, agricultural extension is largely decentralized and there is little influence of the Federal Government on extension services except the activities of Project Coordinating Unit (PCU). Agricultural Extension Policy should be formally enacted through national legislative action to provide a stable policy foundation, clear direction of developing and executing private and public extension services. There appears a significant contribution of private extension services in Nigeria as the public agricultural extension services seems to be limited due to resource and management problems. Pluralistic forms of a national extension system should be embraced.

Road Map for Coordinating Extension Programme in Nigeria:

A road map for coordinating all the public and private extension programmes should be developed as to know: what configuration of extension organization is needed, what linkage/arrangements between public and private extension services should be in place, what national development priorities should be pursued, who should attend to targeted audiences who are not served by the private sector, who coordinates the multiple extension providers, and who serves as the final reference point or arbitrator of conflicting agricultural information. In effect, an extension organization of my dream should start with 36 private extension outfits emanating from each of the 36 states while the states local governments in each of the states form a kind of partnership with the extension organization. The financial hub of the private extension outfit in each state shall be mobilized from all financial institutions, infrastructure development agencies like road construction companies, industrial institutions and farmers cooperatives found in the state. Project coordinating unit shall remain at Federal level to coordinate extension activities at the state level. The project coordinating unit should also identify the target audiences that are not served in a particular state and give advice as to how such group can be served. A board of trustees made up of professionals technocrats farmers cooperative societies, business and government representatives from the federal, state and local government should be constituted to fashion out national agricultural development priorities and also serve as final reference point for major decisions on private extension services. Individuals who desire to go into private extension should obtain license from the board coordinating extension programme in Nigeria.

Reform of World Trade Organization Agreement.

There is an urgent need to revisit the WTO agreement. If developed countries who are food secured, still feel uncomfortable to reduce financial support to farmers let alone completely withdrawing subsidies for their agricultural production. In consequence, Nigerian government should push for a reform or renegotiation of terms of agreement to give a concession that will promote support such as subsidies for domestic food production and local industries in Nigeria. This will stimulate industrial growth and inspire farmers to produce raw materials to feed their local industries. It is on that premise that farmers can be encouraged to adopt improved technology and private extension services can make significant impact. Though some scholars are of the opinion that subsidies on agricultural inputs should be withdrawn because of the fact that the gains always go to the unintended beneficiaries. I strongly feel that we are expected to go back to the drawing board and find solution on how to reduce or eliminate unintended beneficiaries rather than preventing the farmers from enjoying such privileges. I also feel that rural farmers’ participation in enacting a law on extension as
suggested earlier would make farmers find solution to problem of subsidy diversion to unintended beneficiaries. The anti-corruption commission can also direct their search light to those involved in subsidies diversion.

Private/Public Agricultural Extension Collaboration in Nigeria

Private Extension Services need to be slowly and carefully adopted in Nigeria. There could be a kind of experiment by which a public extension agency can make an arrangement with a local private firm for collaboration work. This is akin to the experience of Ogun State Agricultural Development Programme and Catholic experience of Ogun State Diocesan Agricultural Development Project, Ijebu-Ode to float a private extension outfit for certain categories of farmers (large and medium scale). Such partnership involves mixed funding shared between public and private stakeholders. This will operate as a policy varietal trial to test for environmental stress. In several developing countries, public-private extension service collaboration has been established. However, government must ensure that competition in the area of technology transfer does not flourish to the detriment of poor small scale farmers.

Private Sector Partnership with The Three Tiers of Government for Infrastructure Support:

The three tiers of government (Federal, State and Local) should in partnership with private sector put in place comprehensive package of farm input, road, light, drinkable water, communication and market infrastructure that will stimulate food production and income generation in the rural communities. Such provisions will promote demand for improved agricultural technology and boost private extension services. This may also form the beginning of our own cooperative extension services which started as a promoter of agricultural knowledge and home economics in USA through Smith Lever Act of 1914 and expanded its services to include all round community development programmes like economic analysis, community surveys, market studies, and business management for the retention and expansion of community businesses (Aworuwa, 2005).

Support for Research through an Agricultural Development Fund:

An extension system can only be valid if it is supported and sustained by an effective and efficient agricultural research system. Therefore, there should be a consolidated research funding mechanism between government and the private sector. It is in the light of this assumption that I recommend a mechanism for generating constant supply of improved seeds and other relevant technologies by the National Agricultural Research System through an Agricultural Development Fund. Readily available credit facilities for both public and private Extension services should be put in place.

Conclusion:

Completely free-of-charge extension services to meet the different needs of all categories of farmers is gradually becoming unrealistic and inefficient due to scarce financial resources and global change in economic policy. At the same time, privatizing extension services in a developing country like Nigeria may not immediately yield the expected dividend of effective and efficient technology information dissemination to farmers. However, agricultural extension privatization can be enhanced under a well developed communication network, efficient marketing outlets, well informed farmers through possibly adult education, a functional extension policy, sustainable research programme and sound credit facilities. All these pre-conditions must be put in good working conditions before private extension services can be out on trial experiment in Nigeria.

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