

# Chapter 21

## Transformation from Subsistence to Commercial Agriculture in Nigeria: The Effects of Large-Scale Land Acquisition on Smallholder Farmers

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### **ABSTRACT**

*Agriculture is in critical state in Nigeria with domestic food production being less than the growing population. The chapter analyzes the ongoing transformation of subsistence agriculture to commercial in Nigeria and the attendant effects of large-scale land acquisition on small-scale farmers. It uses both theoretical and empirical research designs with direct interviews of relevant stakeholders and case studies. It reviews past and present policies and programs aimed at transforming agriculture from subsistence to commercial in Nigeria. The results reveal that large-scale land acquisition and farming is not new in Nigeria. Acquisitions of land by foreigners has always been with the help and consent of government, unlike the case when it involves indigenous investors. Acquisitions have in most cases been characterized by conflicts between the landowners or tillers and investors. To transition successfully from subsistence to commercial agriculture, there is a need for strong collective actions between the deprived land owners, government, and investors.*

### **INTRODUCTION**

Nigeria having over 170 million people is an agrarian country largely dominated by non-commercial farming (Otilola, 2010, NBS/CBN, 2006). Agriculture occupies a priority status in the national economy acting as a driver of growth,

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wealth creation and poverty reduction (Ogbalubi & Wokocha, 2013). The country has a long standing agrarian policy to transform the entire peasantry of smallholders who cultivate less than 5 hectares into modern commercial farmers producing for export and national food security (Ariyo & Mortimore, 2011). Agricultural commercialization entails

the production of crops and livestock for sale, for widespread distribution to wholesalers and retail outlets, storage, processing, export and local market and enterprise development. The process of transformation of agricultural sector which is dominated by poor small-holder farmers who are solely engaged in subsistence production to commercial agricultural production in Nigeria has led to acquisition of vast tracts of land by wealthier foreign and private investors. Large land acquisitions became widespread in developing countries such as Nigeria after 2007 (Ojikutu *et al.*, 2012) and the phenomenon has now become a subject of global discourse (Von Braun & Meinzen-Dick, 2009; Cotula *et al.*, 2009; Zoomers, 2010; De Schutter, 2011). Africa countries are the most targeted region where over 60% global foreign land deals have taken place (Brüntrup, 2011; Deininger *et al.*, 2011; Osabuohien, 2013) even though empirical studies on large-scale land acquisitions are just emerging (Osabuohien, 2014; Cotula, *et al.*, 2009). The newness and the secrecy surrounding land acquisition deals make it evaluations difficult (Hallam & Cuffaro, 2011). A study notes that 29 million of the 56 million hectares of land (51.8%) sought after by foreign investors globally is located in sub-Saharan Africa (SSA) (Deninger *et al.*, 2011). Countries in SSA are characterized by abundant but uncultivated land; poor records of rural land tenure, lacking institutions to protect the vulnerable groups are attracting the most interest (Deninger, *et al.*, 2011).

Past administrations in Nigeria after her independence in 1960 have made series of agricultural revival strategies and programs targeted at different activities in transforming the agricultural sector in a manner that makes the country self-sufficient in food (Monye-Emina, 2009) but with little success. As part of government intervention programs to transform agriculture from subsistence to commercial, foreign investors are encouraged by the state and federal government to come and invest in the country. As a response, many companies, private individuals and foreigners acquired large

areas of arable land from the rural poor in different parts of the country for agro-fuels and food production (Land Matrix Portal, 2012). At present, there appears to be widespread concern over how some states in Nigeria are colluding with foreign investors to dispossess the people of their land for agro-fuels and food production (Attah, 2013).

With the broad objective of analyzing transformation from subsistence agriculture to commercial in Nigeria and the effects of large-scale land acquisition on the smallholder farmers, the chapter therefore answers the following research questions:

1. What are the rationale and controversies surrounding transition from subsistence to commercial agriculture in Nigeria through large-scale land acquisitions?
2. What is the status of commercial agriculture in Nigeria and the derived benefits?
3. In what ways is Nigeria government intervening in promoting commercial agriculture?
4. What are the effects of large-scale land acquisition on smallholder farmers?

While the working hypotheses of the chapter include:

1. Promotion of commercial agriculture through large-scale land acquisition does not necessarily increase agricultural efficiency.
2. The threats of large-scale agricultural land acquisition on smallholder farmers are greater than the derived opportunities in Nigeria.

## **BACKGROUND AND BRIEF LITERATURE REVIEW**

There is increasing rate of global rush for land through land grabbing by investors even though it is still very difficult to get accurate data on investments on land in many countries. Information is

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