

## Farmers' Perception on Privatization and Commercialization of Agricultural Extension Services in Oshimili North and South Local Government Areas of Delta State

U.N. Uzokwe and A.U. Ofuoku

Department of Agricultural Economics and Extension,  
Delta State University, Asaba Campus Asaba, Delta State, Nigeria

**Abstract:** Up to early 1980s in Nigeria, like most developing countries Public Enterprises (PEs) were used for resource mobilization and allocation for many decades. From the 1980s a combination of factors forced government to review their dependence on PEs. These included their inability to perform their expected roles which resulted in huge financial losses, therefore putting a pot of stress on public finances. The government perceived commercialization and privatization as the solution to this problem. One of these government financed enterprise which has steadily declined is the agricultural sub sector. The decline in the agricultural sub sector affected the extension services which used to be effective in the carrying of innovation to farmers to improve their level of agricultural production. There is urgent need to stem this dangerous tide. As a result of this problem this study sought the opinion of farmers in oshimili south and north Local Government Areas (LGA) of Delta State to enable the government determine the best option to adopt to better extension services to farmers. A total of 120 farmers were sampled randomly from each of the 10 wards that make up each of the Local Government Area (LGA). The study showed that the mean age of farmers was 46 years, 97% were married with an average of five children. As regards extension agent contact 60% have had contact but are not being visited. About 83% of farmers got inputs, 49.8% paid for the inputs while 33.2% did not pay. Most of the farmers (80%) are willing to pay for inputs but 90.6% are unwilling to pay for extension service. They are also not in support of privatization of extension services (70%). From the result of the study it is not advisable to privatize or commercialize extension services now since the farmers cannot pay for the services because of their very poor income.

**Key words:** Farmers, perception, privatization and commercialization, agricultural extension, services

### INTRODUCTION

In most developing countries, including Nigeria, for many decades, up to early 1980s Public Enterprises (PEs) were extensively used for resource mobilization and allocation. The activities of PEs later expanded beyond the orthodox areas into agriculture, mining, manufacturing, banking and finance, commerce, etc. PEs were seen not only as a major instrument for the mobilization and allocation of public investment resources, but also for accelerating the pace of economic development and the determination of government finances<sup>[1]</sup>. This line of operation agreed with the Keynesian approach of large-scale involvement of public sector in economic development.

From the 1980s a combination of factors forced the government review their dependence on PEs. These

include their inability to perform their expected roles, which put a lot of stress on public finances. As a result, in 1981, the Federal Government set up a committee on privatization. One of the highlights of its findings was that government investment in public enterprise sector was over 23 billion but that the returns has been less than N500 million annually. As at 1990 using the 1986 estimate, the total investment was about N36.5 billion for about 600 PEs identified by TCPC at the federal level alone. Of this amount, the 34 utilities (5.7%) that were commercialized accounted for about N20.650 billion (56.64%) of the total investments in the PEs sector. As required the value of this total investment has been updated to about N500 billion using the 1993 estimates<sup>[1]</sup>. The conclusion was that government was clearly not receiving a fair return on its investment outlay while it continued to pay interest charges and principal on the huge loans. It also revealed

**Corresponding Author:** U.N. Uzokwe, Department of Agricultural Economics and Extension, Delta State University, Asaba Campus Asaba, Delta State, Nigeria

that as much as 40% of the Federal Government's non-salary recruit expenditure and 30% of its capital investment budget had gone to support public enterprises. It is to stem this ugly tide that Babangida government came up with Structural Adjustment Programme (SAP). Under SAP all affected enterprises were classified into five categories on the bases of which they would either be.

- Fully privatized
- Partially privatized
- Fully commercialized
- Partially commercialized or
- Remain as public institutions.

Full privatization would imply that government ownership and control will be removed to permit such public enterprises to operate like their private sector counterparts. Partial privatization means that part of government equity holding will be sold out and following that, they will be expected to operate as private companies. These two groups of enterprises would no longer receive any operating subvention and their future financial needs would have to be met from the capital markets.

Enterprises to be partially or fully commercialized will continue to be owned by the government but have a financial structure that will enable them to raise capital. Full commercialization means operating without government subventions and without treasury support for future capital development. In partial commercialization, the PEs have to generate a fair portion of the financial requirements for their operations but might continue to need some government support towards the operating costs of future capital programmes<sup>[2]</sup>.

Agricultural extension services since its inception has been aimed at helping farmers to achieve optimum food production by bringing innovations from the research stations to the door steps of the farmers. To encourage high food production, in order to assuage hunger and ensure food security, the service has always been meant to be free in Nigeria, hence the workers are state government employees. Where the farmers pay for inputs, it was meant to be highly subsidized.

Basically, the idea for privatization and commercialization stems from the gross inefficiency of the extension services, due to poor funding by government. Always there is informal commercialization since farmers pay indirectly for extension services in the state. These they do by paying for transportation, feeding and other expenses as pronounced by extension agents. Many a

time inputs have been known to have been diverted by government functionaries and sold even higher than market price. With this background, there is need to address the issue of commercialization and privatization of agricultural extension service, to enable appropriate recommendation to be made to ensure efficient extension service delivery.

Studies on development have shown that development programmes are most successful when the opinion of recipients are sought right from the planning to execution stage Ojameruaye<sup>[3]</sup>, hence this study is aimed at sampling farmers opinion on the privatization and commercialization of agricultural extension services. The farmers opinion will help in taking a decision on what will work best for them in the circumstance.

**Study objectives:** The specific objectives for this study are to:

- Establish the effectiveness of agricultural extension services in Delta State.
- Find out farmer's opinion on the commercialization and privatization of agricultural extension services.

## **MATERIALS AND METHODS**

The population of farmers could not be determined, since most of them were not registered with the Apex farmers organisation, which is the coordinating body for farmers in the state. Oshimili North and South were chosen since they were nearest to the capital which also harbours the headquarters of Agricultural Development Programdme (ADP) and is therefore assumed to get the most agricultural extension attention. Each local government has 10 wards. Six farmers were randomly selected and sampled in each ward using a structured questionnaire which gave a total of 120 respondents.

## **RESULTS AND DISCUSSION**

The study showed that most of the respondents fall between the age range of 40 to 59 years (70%) with a mean age of 46 years. Almost all of them (97%) are married with an average of 5 children. Most of them have primary school education (54%), 87% use farming as their main and only occupation. It means that they place a lot of importance on farming since it is their main source of livelihood. A total of 67% belong to farmers associations and cooperatives. There are about 8 of these cooperative Associations. The one most patronized is National Agricultural Farmers Association which 17% of them belong.

Table 1: Frequency of extension agent visits N=120

Time	Frequency	Percentage
Every week	5	4.2
Every two weeks	-	-
Once a month	-	-
Once very three months	-	-
Once every four months	-	-
Two times a year	-	-
Once a year	5	4.2
No visit	110	91.6

Source: Field survey 2006

Table 2: Agricultural input needs of farmers

Input	Level of need frequency	Level of need percentage
Coco yam	30	25
Yam seedling	24	20
Maize seeds	36	30
Pineapple suckers	6	5
Fertilizer	18	15
Fingerlings	18	15
Feed	6	5
Cassava	54	45
Cutlasses	30	25
Hoes	30	25
File	6	5
Shovel	12	10
Tractors	12	10

Source: Field survey 2006

The study revealed that 60% of the farmers have had extension agent (AE) contact, but are not being visited by the extension agents. Table 1 shows that 91.60% of the farmers are not visited by extension agents at all. This is in agreement with Rivera<sup>[4]</sup>, while indicting the public sector extension delivery system, was of the view that public sector extension was criticised for not doing enough, not doing well and for not being relevant. According to Overton<sup>[5]</sup>, making a difference, especially differences needed for social change, requires hard work.

A majority of the farmers (83%) have got inputs. These inputs were from Ministry of Agriculture and ADP through the farmers own effort not through the AEs. From the result on Table 2 the most needed input by the farmers was cassava cutting (45%). Out of 83% that received input, 49% paid while 33.2% got theirs free.

The farmers asked for more frequency extension services (73%) because they believe that extension advice will help them improve their yield.

Figure 1 shows that most of the respondent (80%) are willing to pay for inputs but most of the farmers indicated unwillingness to pay for extension services (90%) while 8.4% are willing to pay for consultancy/services of E.As.

Figure 2 shows that most of the respondents (70%) are not in support of privatization of extension services, because they will not be able to pay for the services if privatized. The 30% who were in support of privatization feel that it is the only way to get efficient and effective extension service.

The average annual income of farmers was N41,000 which gives a monthly income of about N3,500. This is

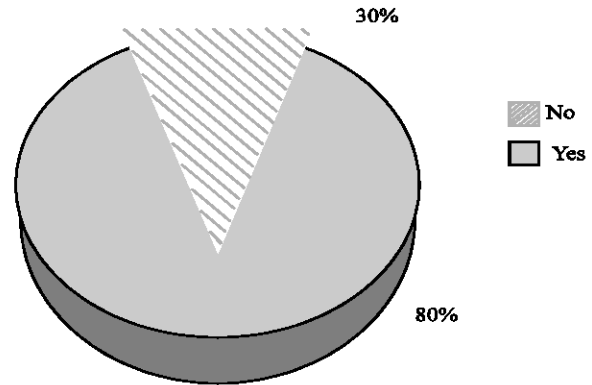


Fig. 1: Respondents view on commercialization of farm inputs

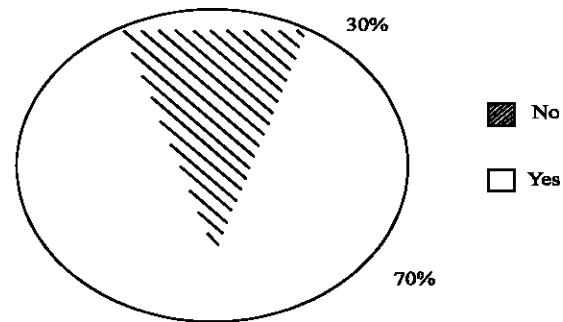


Fig. 2: Respondents view on privatization of extension services

less than half of N7,500 which is the basic monthly salary of workers in Delta State. The farmers are already living below subsistence level and cannot pay for extension services, therefore they need to be helped to improve their output by having effective, frequent and free extension services, backed up with availability and accessibility to inputs.

## CONCLUSION

This study clearly mirrored the state of extension service delivery in Delta State. It revealed that extension service to farmers is practically non-existent. From the finding it was seen that the farmers want the services of extension workers but cannot pay for the services hence most of the farmers opted for non commercialization and non privatization of extension services. It paints a very sordid picture. A state of hopelessness, because though the farmers have past through year of ineffective extension service delivery, while the service was in government hands, they opted to leave it in government hands, because they felt that if privatised and commercialized they will not be able to pay.

With the poor income of farmers extension services should not be commercialized or privatized. The federal and state government should reach an agreement on how to fund extension services. Agriculture should be given priority attention in the budget to promote food production to achieve family food security. This is the way to arrest the steady increase in the prices of food and assuage hunger. More loans should be given to small scale farmers with no interest to start with. Gradually a little interest should be introduced. These loans should be made available at the right time, most times before the planting season. Extension services should be backed with supply of inputs to farmers at subsidized rate. The production of the farmers can be monitored for a space of between five to ten years. When the farmers are sufficiently economically empowered as will be determined by a steady and sustained increase in their income, the subsidy on inputs can be removed but agricultural input and raw materials for their manufacture that are imported should come in duty free. Inputs should be sold straight to farmers and not through middlemen. Then the government should first of all commercialize extension services but retain partial privatization monitoring of the services bearing in mind the inadequacy of food production in the country and the presidential

initiative boost food production aimed at ensuring food security. Until Nigeria attains food security, the government should remain actively involved in food production.

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