

## APPROACHES TO PRIVATE AGRICULTURAL EXTENSION SERVICE DELIVERY IN AFRICA: LESSONS FROM CURRENT DEVELOPMENT INITIATIVES IN NIGERIA

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### ABSTRACT

Despite the common belief that Africa is not ready for privatised extension services due to the public goods nature of such services provided to date and the limited means of smallholder farmers, a number of development initiatives are paving the way for privatised extension. This paper reviews the effectiveness of public extension and documents various recent private extension initiatives in Nigeria, with a view to highlighting their effectiveness and limitations and their relative contribution to privatising agricultural extension. The paper also analyses the frameworks and models – farmers' associations, outgrowers' schemes, commodity alliance models, business partnership model and public–private partnerships – which power these initiatives. We analyse how

the experiences of these frameworks and models could be harnessed to improve extension service delivery. We also highlight the role of non-governmental organisations. A case is made for more professionalism in extension work, deepening and broadening extension activities to include post-harvest handling, marketing and policy advocacy. The paper concludes that with proper calculation and appropriate policy support, the privatisation of extension service delivery in Africa could be very effective.

**KEY WORDS:** *EFFECTIVENESS, LESSONS LEARNED, POLICY SUPPORT, PROFESSIONALISM, PUBLIC GOOD*

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## INTRODUCTION AND OBJECTIVES

Africa is lagging behind other continents in development trends according to global indicators and its dismal performance to date in meeting the Millennium Development Goals. However, there are indications that many nations in Africa are prepared to make ostensible change through agricultural development. This is informed by the recognition of the importance of agriculture to the economies of African States and many challenges faced in reducing poverty and enhancing food security on the continent. This strong conviction led African governments under the African Union's New Partnership for Africa's Development (AU/NEPAD) agenda, to develop the Comprehensive Africa Agriculture Development Programme (CAADP). Initiated in 2003, the main goal of CAADP is to help African countries reach a higher path of economic growth through agriculture-led development, which eliminates hunger, reduces poverty, food and nutrition insecurity and enables the expansion of exports.

Within the provision of a shared framework for strategy and implementation, countries aligning with CAADP must adopt the Maputo Declaration of: (i) achieving an annual agricultural growth rate of at least 6% in agriculture, and (ii) allocating at least 10% of the national budget to agriculture. They are also expected to fashion a broad spectrum of operating the CAADP process in their own countries, after signing the CAADP compact. The CAADP also

reflects broader principles of mutual review and dialogue, mutual accountability and partnership. This has generated a framework for support, co-ordination and implementation through regional bodies to national, State and local levels.

Nigeria has completed the CAADP round-table process and has signed the compact. It has also adopted three cardinal strategies of implementing CAADP, including the National Agricultural Investment Plan (NAIP), Global Agriculture and Food Security Programme (GAFSP) and Strategic Analysis and Knowledge Support Systems (SAKSS) – to inform and guide the CAADP implementation process. In the NAIP, the national development agenda of Nigeria is aligned with CAADP principles. There are five key themes within the NAIP: (i) increasing agricultural productivity, (ii) provision and supervision of extension services (led by the private sector), (iii) paths to improved food storage in Nigeria, (iv) paths to improved food processing in Nigeria and (v) food reserve marketing framework.

This paper aims to critically assess the limitations of the public extension system and the relevance of private extension service providers (PESPs) in complementing the effort towards achieving agriculture-led development in Africa.

### **Critical role of private extension in CAADP**

The argument that Africa is not ready for private extension service delivery is fast becoming

obsolete, based on the reflection that there are many agricultural development initiatives experimenting with a number of forms of private extension services. Some of these have recorded striking success, and strengthened the position of private extension in the development agenda in Africa. Recent developments highlight that public extension in the developing world, including Africa is incapable of driving the agricultural development of nations towards meeting the MDGs. Major limitations of public extension to achieve desired goals are highlighted below.

### ***Poor budgetary allocation to agriculture sector***

Poor funding support to agricultural development programmes (ADP), far from the level attained during the World Bank supported ADP era, has made public extension grossly ineffective in many nations. This has made extension/farm family contact highly limited. An extension agent/farm family ratio of 1:3,000 was typical of the pre-ADP era. It was brought down to 1:500–800 in ADP days under World Bank support. As time went by, the ratio attained in the earlier days of ADP has progressively been getting worse (in 1995, 1:1,189; in 1997, 1:1,615; in 2000, 1:1,722) (Agbamu, 2011). When this ratio is compared with what is found in Mexico (1:800), Japan (1:252) and South Korea (1:500), it is easy to appreciate the limited effectiveness of public extension in Nigeria.



### **Low technical and professional competencies**

The low skill levels and competencies of field-level extension workers because of inadequate training (especially in the use of information and communication technologies) has depressed public extension service delivery in Nigeria.

### **Role of public extension along the commodity value chain**

In most cases, public extension operations do not go beyond the farmer's field (i.e. production), leaving a productive farmer to do all of his post-harvest operations i.e., storage, processing, transporting and marketing. This has caused colossal losses to farmers. Post-harvest losses of crops in Africa have been estimated at between 10 and 40%, depending on perishability. Understandably, many public extension agencies have limited capacity to adequately cover field operations, or assist farmers in their post-harvest challenges. They are unable to observe the rural vacuum filler theory which presents the role of agricultural extension agent as: 'to help do, in any particular rural area, whatever needs to be done that is not already being done by someone else but could be done locally to make greater agricultural productivity possible' (Mosher, 1978).

The rationale for private extension service hinges on the overwhelmed public extension sector, because of lack of required resources or political will on the part of governments. The private

sector is not totally averse to providing extension services, although its scope is limited to specialised cash crops sourced from outgrowers. The realisation that production should be market driven is now becoming more widespread. The disincentive generated by the dearth of guaranteed markets for farm crops is best illustrated with cassava, resulting in a cyclic cobweb of scarcity and glut in supply. Additional effort into improved farm yield is not advisable until post-harvest loss (at 20–40%) is greatly reduced by value addition, achievable through appropriate marketing functions (Nkama *et al.*, 1994).

The private extension system is better positioned to assist farmers to ensure a guaranteed market for their produce.

### **MODELS AND FRAMEWORKS**

The concept of 'extension alternatives' has changed over time from the perspective of mere diversity of methods (mass media, group and individual approaches) to one of many institutional options for agricultural extension (Morris, 1991). This brings up various extension models including: conventional agricultural extension approach, training and visit extension system, farming systems research and extension, and commodity focused extension approach.

The concepts of private extension and privatisation appear to be similar but they are different. Private extension is solely private

individuals or organisations providing extension services to farmers, usually charging them for the services provided (NGOs are part of private extension but do not charge for services provided). Privatisation is a calculated decision of government to relieve itself of the cost of extension services through cost recovery or partnership with PESP.

The outgrowers' scheme concept provides a major foundation for the commodity alliance model that is an effective framework for private extension work in Nigeria.

### **Commodity alliance model**

A commodity alliance model (CAM) as packaged by Farm and Infrastructure Foundation (FIF) is also called 'business partnership model' (BPM). It has its roots in public–private partnership (PPP) theories and draws lessons from several pilot studies, especially the USAID/Nigeria MARKETS project which uses the commodity alliance strategy.

The key elements include:

- **Backward integration programme:** This involves the private sector operating strictly for business and profit. In order to ensure returns of its investment and remain in business, private sector organisations must look for a means of enhancing their services by partnering with farmers, input suppliers and other farm services providers and adapting these to their clientele's changing requirements and expectations.
- **The purpose of partnership:** Its aim is to secure



a supply of raw materials to identified users and supply the commodity at a price remunerative to farmers and in the long run make agricultural inputs accessible and affordable to end-users.

- **Key stakeholders:** The stakeholders in the standard FIF BPM for any commodity are: target farmers (in commodity group), users' company, partnership managers, farm input suppliers, other farm service providers such as research institutes, national agricultural insurance company, agricultural development projects, and Nigerian agricultural credit rural development bank, among others.

The schematic process of the commodity alliance model is presented in Figure 1. If the partnerships plan to deliver better quality services, they should be designed with a focus on outputs and performance. All the stakeholders or partners must be clear about what is expected of them and the implications, if they fail to deliver. The BPM entails proper role definition and assignments for all stakeholders in the partnership.

### Charter of partnership

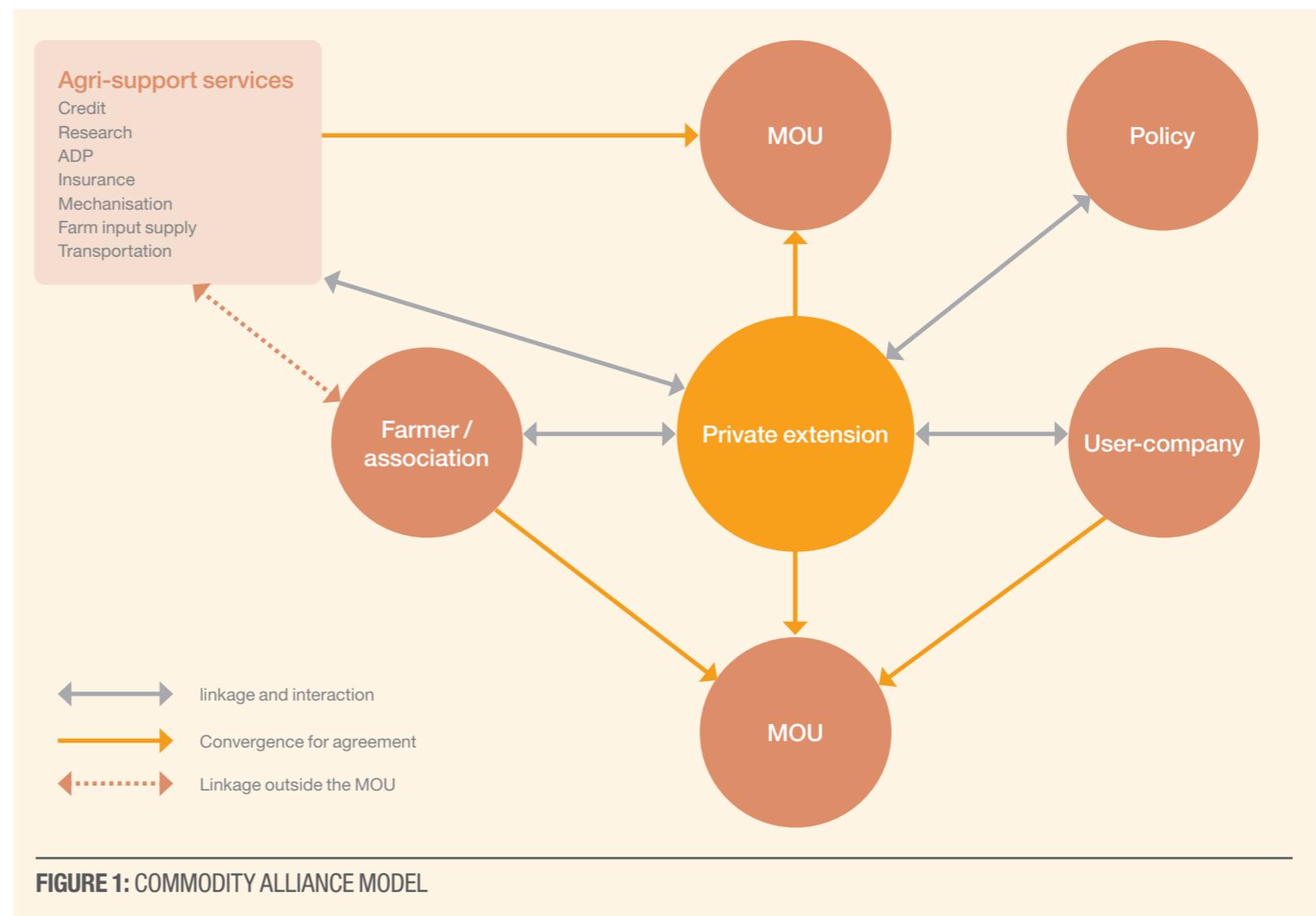
The charter of partnership among the stakeholders will specify the roles of all members based on their capabilities and needs. Issues involving technology to be extended, division of responsibilities and duration of partnership must be discussed among stakeholders to develop a Memorandum of Understanding (MOU). The MOU is the legal

framework for partnership that should be complemented with social safeguards and social capital development.

BPM is associated with certain benefits: those which are mutual should be greater than those achieved through individual activities. Such benefits include: technology transfer, input and credit

linkages, farmer mobilisation, technical empowerment, market linkages, quality control, lower production costs, risk-sharing, enhancement of income and improved level of services.

The effectiveness of the partnership manager depends on his/her professional competence, independence and regulations. Exploitation of



**FIGURE 1: COMMODITY ALLIANCE MODEL**



farmers should be prevented by regulating the activities of private extension service providers through enforcement of legislation. As practice gets competitive, farmers become the ultimate winners as they can choose to engage services of PESP based on quality and service (Shekara, 2001).

### **Cases of private extension in Nigeria**

#### ***Agri-input dealers***

A study of the capacity of agri-input dealers' associations to provide extension service conducted in Oyo State, Nigeria found that agri-input dealers are potential channels of advisory service delivery. They require further technical training and financial support and more linkages with research and extension agencies to be effective (Ladele *et al.*, 2008). Oyo State agri-input dealers' association occasionally organises field days for arable farmers to provide technical advisory services on agri-inputs needed by farmers.

Syngenta Agrochemicals works with Osun State Agricultural Development Programme (OSSADEP) to disseminate information on chemicals that are safe for use by farmers. The State extension agents disseminate information on chemicals while the company provides the technical information. The company also makes use of model farmers for field demonstrations. This partnership arrangement brings together public extension agents from the ADP, the local government department of agriculture and the All

Farmers Association of Nigeria (AFAN).

The major challenges of this intervention are poor co-ordination of activities, inadequate flow of information from OSSADEP to local departments of agriculture and a high price regime of chemicals, which is unaffordable for many smallholder farmers.

#### ***Firms sourcing agricultural raw materials***

There has been a shift in the pattern of outgrowers' schemes/contract farming by British American Tobacco where the extension agents used are employees of the out-sourcing company. An example of such agro-based firms includes OLAM Nigeria Ltd. rice mill, which has adapted the commodity alliance model to source raw materials.

Under the public-private partnership of USAID/MARKETS/Olam Nigeria Ltd. that started in 2006, rice yield has increased from 1.25 to 3.25 metric tons per ha on the farmers' fields. The varieties of rice in use are FARO 44 and FARO 52. On model farms, used to demonstrate the technology to farmers, they increased in size from 22 to 100 ha, with recorded yields ranging from 3 to 6.5 metric tons per ha. Farmer's income more than doubled as a result of the intervention. Also Olam Nigeria Ltd. – a rice milling firm in Benue State which was challenged with insufficient supply of high quality paddy rice to meet its 18,000 ton capacity – has upgraded to 36,000 metric tons per annum. This pilot project is being replicated in other States in the country.

Using a similar approach, success is being recorded by Sasakawa Global 2000 in sorghum production in the northern States in Nigeria. The intervention by Saro Agro-Allied Ltd. extension programme is worth sharing. It is an agro-allied firm involved in exporting quality cash crops in Nigeria. The programme is divided into two sections:

#### ***Organic cocoa project***

This produces cocoa without the use of synthetic chemicals. It involves the use of organic-based substances such as neembecidine (from neem plants for controlling thrips and other insects in cocoa) and a combination of salts and ash to control black pod disease. This project has been carried out in some States and more than 2,000 farmers have been trained in organic agriculture (with farmers organised into groups of 40 members facilitated by one extension officer per group).

#### ***Golden cocoa project***

This project is aimed at achieving sustainability with limited rational use of synthetic chemicals.

#### ***Private extension consultancy***

There are a number of private consultancy firms involved in extension work. They are limited in scope, and sometimes collaborate with governments, but they have weak performance capacity. At times they cover operations that the mainstream public extension service would rarely



touch. Two of these firms are highlighted below.

### ***Farm and Infrastructure Foundation Konsult Ltd.***

This is a consultancy arm of an NGO, Farm and Infrastructure Foundation (FIF) – an organisation for participatory policy advocacy, research and brokerage in agriculture and rural development. It performs some extension type activities generated from policy and research activities. It services a population of farmers and other rural poor. They have collaborated with Delta State Government to produce an agricultural development roadmap and have provided technical backstopping to the twin projects: Youth Empowerment Through Agriculture (YETA) and Farmer Support Programme (FSP) (FSP).

### ***Dynamic Agro Industries Ltd.***

Dynamic Agro Industries Ltd. is an agro-based consultancy firm established by a group of experts in crop production and extension that provides farmers with advice on all their needs. They help farmers to set up farms, test the soil composition, provide them with reliable seedlings with desirable characteristics, advise them on how to manage their available resources and provide them with training on mixed farming. The firm promotes pineapple hybrids, plantain and banana suckers, budded citrus (dwarf), high-yielding oil palm seedlings, high-yielding yam seedlings, ogbono

seedlings, *Moringa olivera*, hybrid maize, fisheries fingerlings, poultry, grass cutters and snails.

### **Challenges and the way forward**

While the activities of PESPs are exciting, there are many challenges limiting their potential. A few of these are highlighted to provide informed suggestions on how private extension work could be more effectively applied.

- **Limited capacity:** Most PESPs have very limited financial, logistics and technical staff capacities and have limited coverage to meaningfully fill in the gaps in commodity supply chains. There are many trained extension graduates available who require take-off grants. Local firms find it difficult to absorb interventions piloted by international agencies. For the impact of PESPs to be felt, there must be many available to competitively service different rural communities and commodity associations.
- **Capacity of commodity groups to demand services:** Farming in Nigeria is predominantly subsistence. The minimum level of commercial orientation is generally low. Against the background of previous policy and project failures, many smallholder farmers are apathetic and resigned to a fate of hopelessness and poverty. Many of them are reluctant to try innovative ideas since they have experienced many disappointments. Other major constraints are insufficient technical capacity to run

associations and a dearth of quality leadership.

- **Quality of rural infrastructure:** The private sector with its profit orientation (least cost and optimal returns) is not particularly interested in investing in the rural market. Poor rural road infrastructure, communication and power supply make business unattractive, against a background of alternative profitable ventures to which scarce resources could be committed.
- **Policy environment:** The practice of private extension is still very precarious and is only carried out by innovative firms since there are no guidelines and regulations guiding operations and no incentives for entrepreneurs venturing into business with the attendant risks.
- **Technical competence:** The technical competence to co-ordinate operations that makes the commodity alliance model effective is beyond the capacity of many extension workers. Their capacity to use modern ICTs is usually limited. They are also weak in their knowledge of business communication skills and legal expertise that are central to the workings of a partnership.
- **Risk and uncertainties:** The high risks and uncertainties inherent in rain-fed agriculture that is prevalent in Africa, are further accentuated by the mechanistic arrangement of the linkages. This may further be compounded by social factors that may result in a segment of the alliance not being able to meet its obligations as expected.



- **Farming systems:** This is a serious challenge especially among smallholder farmers who prefer mixed cropping to sole cropping. It may also affect the functioning of commodity associations as small-scale farmers usually cultivate several crops at once.

To moderate the effect of these challenges on the prospect of private extension service, the following are of considerable importance:

- **Appropriate policy:** Policy on all aspects of private extension operation should be carefully formulated with the inputs of all stakeholders. It should include guidelines for operation, regulations and appropriate incentives, including financial support to encourage all partners to be interested. To prevent exploitation of farmers, the activities of the PESP should be regulated through the enforcement of legislation. Healthy competition within the sector will eventually regulate the market (Shekara, 2001).
- **Capacity-building:** All PESPs should be trained on a regular basis to enhance their capacity to cope with the intricacies of their job. Training on the use of appropriate ICTs to facilitate their complex operations should be provided. Farmers also need training on association building and basic business skills.
- **Basic tools** should be designed to assess the capacity of a farmers' association to effectively participate in CAM. It is also important to pilot alliance projects and allow scaling-up to be done gradually.

- **Reliable insurance schemes** should be incorporated into the alliance to ensure that risks are shared and uncertainties are adequately taken care of.
- Government should create **markets** for all major farm produce to stimulate production to prevent farmers fearing to cultivate a crop because of lack of a market outlet. Creating food reserves and partnering with agro-processors will be helpful. Banning importation of food with local potential would also induce local production.
- Lessons should be learned from other nations that have embraced and succeeded in privatisation of extension. A long-term plan for privatisation should be put in place.

## CONCLUSIONS, RECOMMENDATIONS AND IMPLICATIONS

It has been demonstrated in this paper that the private extension service can be improved and can ultimately contribute to the agenda of the Comprehensive Africa Agricultural Development Programme (CAADP). The task is demanding, but with incisive determination, diligence and will-power, increased private sector participation in extension service delivery will serve as the missing link to transform rural life in Africa.

It is recommended that governments should take more decisive steps toward promoting participation of the private sector in extension activities by creating appropriately enabling

environments and partnering with the sector when necessary. Efforts should also be made to identify critical areas along the various commodity chains where value can be added through increased participation of the private sector in extension and other related services provision.

Finally, each African nation should set in motion a long-term action plan toward gradual privatisation and commercialisation of agricultural extension service delivery. This should be the ultimate as smallholder farmers transform from subsistence operations to commercial orientation.

It should be pointed out that desired change may never come unless concerted efforts, including policy advocacy, are mounted. All relevant stakeholders including the international development agencies must collaborate towards increased participation of the private sector in agricultural extension service delivery.

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