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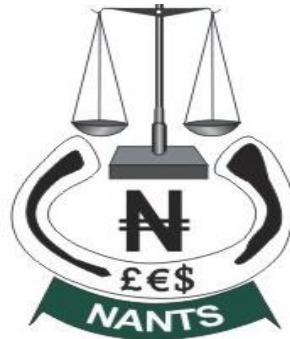
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Policy Advocacy Series

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A REVIEW OF THE PROPOSED 2014 AGRICULTURE BUDGET AND ITS CONTRIBUTION TO THE TRANSFORMATION AGENDA

= A NANTS Budget Advocacy Paper =



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1.0. Introduction

The Transformation Agenda (TA) clearly makes agriculture one of the key sectors and drivers of the economy that is to achieve socio-economic transformation of the country. The role of agriculture in transforming Nigeria is particularly significant because the sector contributes most to Nigeria's GDP (about 40%); employs about 66% of the labour force; provides 80% of food consumed in Nigeria; and provides at least 50% of industrial raw materials needed in the country. But notwithstanding the demonstrated contribution and potentials of this sector, governments over the years have relegated it to secondary levels behind other less sustainably impacting sectors like oil and gas. With the TA of the present administration, agriculture comes to limelight as a potential vehicle for creating employment and improving the GDP growth rate of the country from 7.2% in 2011 to the desired 11.8% in 2015.

On the other hand, the budget is the second most important legal document of the nation after the constitution, and this is because it is a tool for allocating scarce resources of the country to sectors of the economy on an annual basis. In so doing it demonstrates government's commitment and prioritisation among sectors, programmes and projects through the share of the budget that each gets. The sectors' allocations usually reflect government policy and programmes as detailed in policy documents adopted by the administration at the time. The present government has adopted Transformation Agenda 2011-2015 as the blueprint for the nation's socio-economic development with specific areas of focus including targets and strategies for realising them.

Given the established relation between government's sector priorities and budget allocations, the budgetary allocation to agriculture becomes of interest for review so that government's real commitment to the sector can be tested and since this 2014 budget is the fourth in the life of the TA, the budgetary trends would provide enough indication of government's practical commitment to the sector and realizing the targets of the TA through Agriculture.

It is important to note that one clear objective succinctly captured in the TA is "to achieve a hunger-free Nigeria through an agricultural sector that drives income growth, accelerates achievement of food and nutritional security, generates employment and transforms Nigeria into a leading player in global food markets to grow wealth for millions of farmers". Therefore realizing the objectives of the Transformation Agenda will be essential to preserving stability in Nigeria.

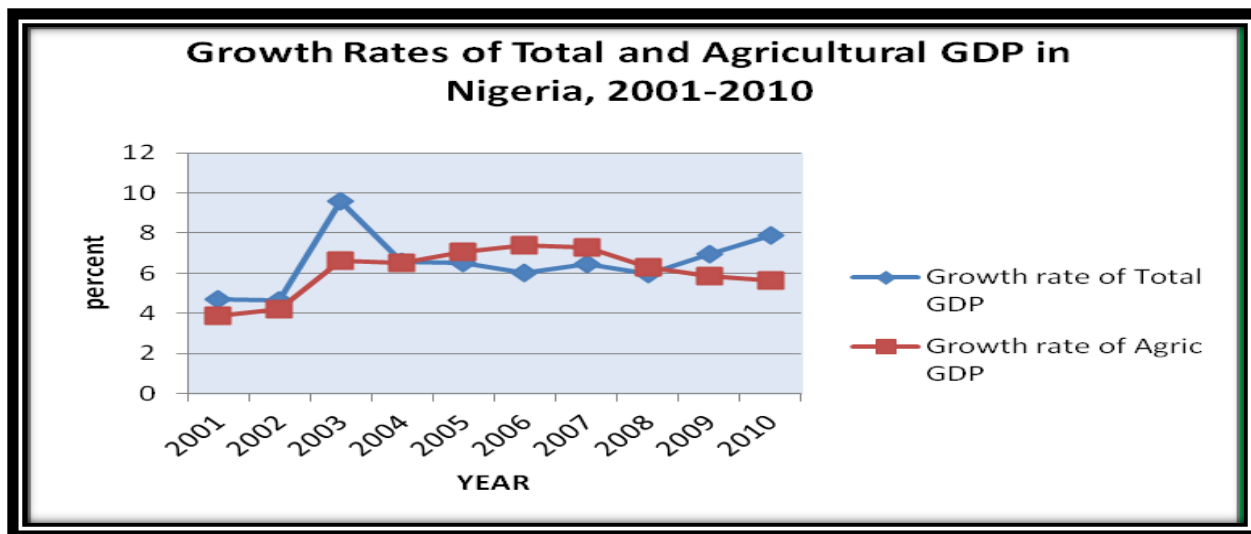


Figure 1: Growth rates of total and agricultural GDP in Nigeria, 2001–2010.

1.1. Rapid Appraisal of the 2013 Budget and the ATA

The 2013 budget was designed to achieve the ATA objectives, and the activities arising thereof have shown some significant transformation. Some recent achievements include:

- i. Allocation to the Growth Enhancement Scheme – GES, which has improved the process of procurement and distribution of fertilizer subsidy to farmers by pulling it into the hands of the private sector which makes it available to farmers directly using telecommunications (telephone text messages) as opposed to the previous regime of politicization and corruption around agriculture subsidy.
- ii. Establishment of Staple Crop Processing Zone which focuses on attracting private sector agribusinesses to set up processing plants in zones of high food production, to process commodities into food products.
- iii. Strengthening the Nigerian markets through marketing corporations to solve problems such as lack of market access, price uncertainties and volatility that manifested as a result of the scrapping of Marketing Boards during structural adjustment period.
- iv. The integration of agriculture value chains with agricultural lending facilitated through the Nigerian Incentive-based Risk Sharing for Agricultural Lending (NIRSAL).
- v. Investment in the promotion of cassava transformation through the cassava bread initiative which catalyzes increased productivity by the farmers.

A comprehensive appraisal however seems difficult towards ascertaining the volume and value of funds expended on each of the line items appropriated in the 2013 budget. This is because of the under-release of funds by the Ministry of Finance, and the fact that a comprehensive evaluation of allocations and projects is yet to be concluded.

1.2. Searchlight on the Proposed 2014 Agric Budget

This review will analyze the 2014 agriculture budget and in the course of doing so, will:

- i. Overview the agriculture budget as proposed by the Executive;

- ii. Ascertain the degree of compliance with the stipulated capital-recurrent budget size relations in the 2014-16 MTEF;
- iii. Consider the relevance of the proposed capital projects to achieving the targets of the ATA;
- iv. Draw attention to the role ascribed to agriculture in the TA and other development strategies;
- v. Highlight budgetary allocations to agriculture for the years 2011-2013;
- vi. Consider the sufficiency of the proposed capital budget for the sector for meeting the investment requirement of the agricultural transformation agenda (ATA);
- vii. Analyze a few emerging issues with emphasis on implementation levels of the previous budgets;
- viii. Review the recurrent budget especially the overheads and identify budget lines and allocations that represent deviations from good budgeting practice; and,
- ix. Make recommendations that will assist NASS in reviewing the proposals for a people-oriented appropriation.

2.0. Overview of the Proposed 2014 Budget for Agriculture

2.1. The Summary of Budgetary Allocations

The proposed 2014 budget for agriculture is summarized in the table below as presented by the Federal Ministry of Finance. The total amount allocated to the agricultural sector is 66,644,675,939 (66.7 billion). The breakdown shows recurrent expenditure of 28,975,633,261 (43.4%) allocated for personnel cost and 2,517,870,095 (3.77%) for overhead. The amount allocated for Capital expenditure is 35,151,172,583 (52.7%).

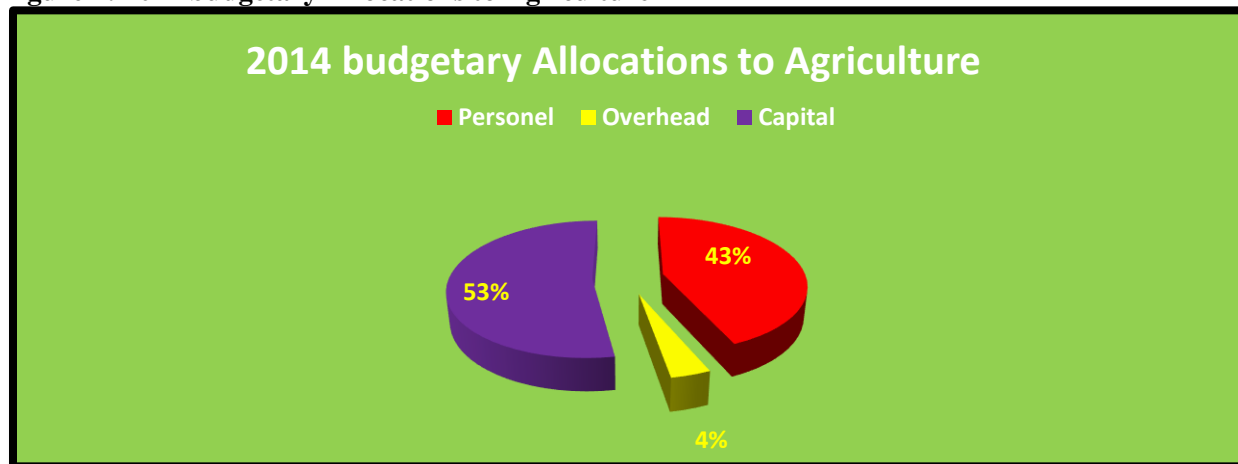
Table 1: Summary by fund

No.	Code	Fund	Total allocation	Percentage
		Total Budget of the Federal Government	4,642,960,000,000	
		Total Allocation to Agriculture	66,644,675,939	
1	021	Main Envelop-Personnel (agriculture)	28,975,633,261	43.4%
2	022	Main Envelope- (Recurrent) Overhead to agriculture	2,517,870,095	3.77%
3	031	Capital Development Fund for agriculture	35,151,172,583	52.74%
		Percentage investment in agriculture (capital allocation to agriculture/total capital budget x 100)		3.19%

As indicated in table 1 above, the federal government proposes to spend a total of Four Trillion, Six Hundred and Forty-Two Billion, Nine Hundred and Sixty Million Naira (N=4,642,960,000,000) in the 2014 fiscal year. Out of this, N66, 644, 675, 939 representing 1.43% is proposed for the agriculture and rural development sector. The sector total is further broken into N35,151,172,583 for capital projects while the remaining N31,493,503,356 is meant for recurrent expenses amounting to a ratio of 52.74%:47.26% respectively.

In terms of the percentage investment to the agric sector of the overall budget, which is represented by the capital budget size, it amounts to 3.19%. The capital and recurrent budget ratio is greater than the MTEF stipulated 26.22% for capital expenditure and 73.78% for recurrent (Page 9 of 2014-2016 MTEF) and this is commendable. The significance is that the sector has more chances of financing its capital projects which ultimately improves the achievement of the targets of ATA.

Figure 2: 2014 budgetary Allocations to Agriculture



NANTS commends the fact that the percentage investment to the agric sector of the overall budget, which is represented by the capital budget size amounts to 3.19%; it means that the capital and recurrent budget ratio is greater than the MTEF stipulated 26.22% for capital expenditure and 73.78% for recurrent (Page 9 of 2014-2016 MTEF).

2.2. Allocations to Various MDAs in Agriculture

The first observation on the budget is that, out of the total of N66.6bn allocated to Agriculture as a whole sector, N36,260,705,926 (about 54.4%) goes to the Federal Ministry of Agriculture (FMARD), while the rest 40 Agencies and Departments are left to share the remaining N30,383,970,013 (about 45.6%). It is observed that in the FMARD budget, the amount allocated to the main Ministry in 2014 is lower than the 2013 allocation. In 2013 FMARD got a total allocation of N46,826,274,217 and in 2014 it is N36,260,705,926 representing N10,565,568,291 (22%) reduction in amount. The reason envisaged is probably because the entire allocation to agricultural sector is lower than that of the previous year. We note that since 2011, the share of the agricultural sector as percentage of the total budget has been taking a downward turn which has great implication in the achievement of the Agricultural Transformation Agenda.

The various MDAs that constitute the beneficiaries of the proposed budget for the agricultural sector and their various allocations have been presented in the table below.

Table 2: Allocations to various MDAs in Agriculture

S/N	MDA	TOTAL PERSONNEL	TOTAL OVERHEAD	TOTAL RECURRENT	TOTAL CAPITAL	TOTAL ALLOCATION
1	FEDERAL MINISTRY OF AGRICULTURE	7,657,076,095	337,558,826	7,994,634,921	28,266,071,006	36,260,705,926
2	FEDERAL COLLEGE OF PRODUCE INSPECTION AND STORED PRODUCTS	164,837,066	21,722,640	186,559,706	86,337,517	272,897,223
3	AGRICULTURAL RESEARCH AND MANAGEMENT INSTITUTE (ARMTI) – ILORIN	315,380,322	72,885,135	388,265,457	250,075,213	638,340,670
4	NATIONAL CENTRE FOR AGRICULTURAL MECHANISATION ILORIN	306,551,090	55,327,959	361,879,048	236,833,721	598,712,769
5	NATIONAL CEREALS RESEARCH INSTITUTE-BADEGGI	896,848,286	77,499,081	974,347,367	252,151,476	1,226,498,843
6	NATIONAL VETERINARY RESEARCH INSTITUTE-VOM	1,741,012,381	178,626,539	1,919,638,920	342,593,762	2,262,232,682
7	NATIONAL ROOT CROPS RESEARCH INSTITUTE-UMUDIKE	1,747,983,609	105,169,999	1,853,153,608	490,250,250	2,343,403,858
8	NATIONAL INSTITUTE FOR OIL PALM RESEARCH (NIFOR) BENIN	1,384,604,972	93,198,547	1,477,803,518	200,617,869	1,678,421,387
9	INSTITUTE OF AGRICULTURAL RESEARCH- ZARIA	988,749,771	46,102,624	1,034,852,395	266,656,087	1,301,508,482
10	NATIONAL ANIMAL PRODUCT RESEARCH INSTITUTE ZARIA	847,444,055	50,930,855	898,374,910	323,443,386	1,221,818,296
11	NATIONAL HORTICULTURAL RESEARCH INSTITUTE-IBADAN	1,042,089,046	44,460,599	1,086,549,645	119,220,150	1,205,769,795
12	COCOA RESEARCH INSTITUTE- IBADAN	872,193,748	49,972,993	922,166,742	455,697,526	1,377,864,268
13	INSTITUTE OF AGRICULTURAL RESEARCH AND TRAINING IBADAN	956,665,215	33,373,327	990,038,543	182,550,546	1,172,589,089
14	RUBBER RESEARCH INSTITUTE- BENIN	900,899,070	79,187,598	980,086,668	57,329,658	1,037,416,326
15	NATIONAL INSTITUTE OF FRESHWATER FISH- NEW BUSSA	571,414,126	64,410,953	635,825,079	135,524,826	771,349,905
16	NATIONAL AGRIC. EXTENSION RESEARCH LIAISON SERVICES ZARIA	719,848,890	65,264,855	785,113,745	203,223,110	988,336,855
17	VETERINARY COUNCIL OF NIGERIA	89,673,988	33,734,858	123,408,846	29,750,000	153,158,846
18	FEDERAL COLLEGE OF ANIMAL HEALTH AND PRODUCTION TECHNOLOGY	652,514,598	62,059,513	714,574,111	80,325,000	794,899,111

19	FEDERAL COLLEGE OF AGRICULTURE - AKURE	317,877,387	43,206,727	361,084,114	56,525,000	417,609,114
20	FEDERAL COLLEGE OF AGRICULTURE, MOORE PLANTATION IBADAN	396,096,033	59,631,277	455,727,310	124,320,748	580,048,058
21	FEDERAL COLLEGE OF AGRICULTURE - ISHIAGU	663,808,578	31,039,971	694,848,549	73,185,000	768,033,549
22	FEDERAL COLLEGE OF FRESH WATER FISHERIES TECHNOLOGY - NEW BUSSA	260,065,677	30,870,260	290,935,937	71,400,000	362,335,937
23	FEDERAL COLLEGE OF ANIMAL HEALTH AND PRODUCTION TECHNOLOGY	391,213,448	49,707,572	440,921,020	54,240,038	495,161,058
24	COLLEGE OF VETERINARY AND MEDICAL LABORATORY TECHNOLOGY – VOM	347,024,261	47,682,929	394,707,190	61,212,069	455,919,259
25	FEDERAL COLLEGE OF FRESH WATER FISHERIES – BAGA	156,488,702	46,455,736	202,944,439	143,296,328	346,240,767
26	FEDERAL COLLEGE OF FISHERIES AND MARINE	394,729,712	39,429,093	434,158,805	210,035,000	644,193,805
27	FEDERAL CO-OPERATIVE COLLEGE- IBADAN	106,277,084	16,386,900	122,663,984	14,875,000	137,538,984
28	FEDERAL CO-OPERATIVE COLLEGE- KADUNA	100,411,882	16,386,900	116,798,782	48,685,545	165,484,327
29	FEDERAL CO-OPERATIVE COLLEGE- OJI RIVER	121,039,515	16,386,900	137,426,415	28,685,545	166,111,960
30	FEDERAL COLLEGE OF LAND RESOURCES TECHNOLOGY -	316,118,760	41,980,002	358,098,762	57,054,212	415,152,974
31	FEDERAL COLLEGE OF LAND RESOURCES TECHNOLOGY, KURU – JOS	149,399,285	25,699,092	175,098,377	26,104,947	201,203,324
32	FEDERAL COLLEGE OF HORTICULTURE, DADIN-KOWA GOMBE	381,330,699	42,864,883	424,195,582	155,349,249	579,544,831
33	NATIONAL AGRICULTURAL INSURANCE CORPORATION (NAIC)	0	11,284,488	11,284,488	148,750,000	160,034,488
34	NIGERIAN INSTITUTE OF ANIMAL SCIENCE	145,653,431	77,105,678	222,759,108	102,701,443	325,460,551
35	NIGERIA STORED PRODUCTS RESEARCH, ILORIN	565,917,690	36,056,092	601,973,782	164,160,500	766,134,282
36	NATIONAL AGRICULTURE SEEDS COUNCIL	702,851,180	54,571,957	757,423,137	307,615,000	1,065,038,137
37	NIGERIA AGRICULTURAL QUARANTINE SERVICE	0	91,444,639	91,444,639	167,072,650	258,517,289
38	AGRICULTURAL RESEARCH COUNCIL OF NIGERIA	464,179,870	106,432,134	570,612,004	292,680,880	863,292,884
39	OFFICE OF THE PERMANENT REPRESENTATIVE TO FAO	51,591,332	44,973,258	96,564,590	29,032,276	125,596,866

40	LAKE CHAD RESEARCH INSTITUTE MAIDUGURI	363,871,791	36,699,461	400,571,253	278,750,502	679,321,755
41	NIGERIA INSTITUTE OF OCEANOGRAPHY AND	723,900,616	80,087,246	803,987,862	556,789,549	1,360,777,411
		28,975,633,261	2,517,870,095	31,493,503,356	35,151,172,583	66,644,675,939

Source: Federal Ministry of Finance 2013- Budget Office of the Federation

2.3. Strengths of the 2014 Agriculture Budget

Three key issues are observable from the proposed budget that could count for its strengths. These include:

Capital Budget Exceeds Recurrent¹

The capital budget (52.74%) is greater than the recurrent (47.26%). This is a commendable pro-development approach as it enables sector investment in the key equipment, facilities and inputs that will lead to actual increase in food production for the population and raw materials for industries.

Greater Allocation to Planting Materials

The second is that within the capital budget there is a greater allocation to planting materials, fertilizer and agrochemicals over other supporting activities such as monitoring and evaluation. Though this has been the trend, it is encouraging to actual farming practice through provision of those farming essentials.

Recognition to Women Farmers

Perhaps, for the first time, the FMARD has made provisions specifically for women. N60,000,000 and N87,500,000 are proposed for ‘training of 3,000 women in ten agric value chains including planting, storage, processing and marketing’ and ‘start-up pack for 2,500 women in the ten value chains’ respectively. This is commendable and in line with the administration’s commitment to gender empowerment. With this proposal, about 5,500 women in agriculture will be reached by the budget and this is a response to our recommendation in the 2013 budget.

2.4. Weaknesses of the 2014 Agriculture Budget

Notwithstanding the strengths identified above, the 2014 agriculture budget has some weaknesses among which include:

Grossly Shot of the Maputo Commitments

The capital budget to the agriculture sector as a percentage of the total (3.19%) falls below the Maputo Declaration benchmark of 10% as public investment to agriculture for growing the GDP by at least 6%. More so, the 2014 Agric budget as a percentage of the total budget of the federation (1.4%) is a terrible reduction from 2013 (1.7%). It is worthy to note that if Nigeria needs to attain 11.7% GDP growth rate by 2015 as forecasted in the TA, heeding the Maputo Declaration is a

¹ Capital expenditure budget is the aspect of the budget that is invested into development projects and programmes and therefore significant for achieving desired economic transformation. The recurrent budget are fund allocated to paying for services and salaries.

most veritable approach to achieving the target. Some would argue that the Maputo benchmark is total of public investment including that of states and local government councils, but as participants in a Maputo Declaration Dialogue² established, the Federal Government's budget for agriculture alongside that of the 37³ States and 774 LGCs hardly ever come close to the Maputo benchmark.

Suspicious Budget Line Items

As in the 2013 and other years budgets, the 2014 capital budget for agriculture was crafted in a suspicious manner in terms of some headings that at best confuse an average analyst. Quick examples are found in the analysis of seeds and fertilizer done in the page above.

Poor Output Potentials due to Late Budget Presentation

The general timing of the budget presentation of 2014 by the Federal Government will surely affect the general preparations for the farming season and may ultimately negatively affect agricultural productivity at a time Nigeria requires every amount of food to stem the tide of massive food imports to the country.

With the budget presentation in January 2014, the implication is the late implementation occasioned by late release of funds. Many capital projects especially in the agricultural sector will suffer; for example, the procurement of fertilizer for farmers application is time bound because of the nation's seasonal agrarian system. Given that the budget items and figures will be subjected to debates and scrutiny before the Parliament through to final appropriation, and still go through the bureaucratic processes of release of fund for such procurement, perhaps the farming season would have gone half way and the aim of supporting farmers with inputs may have been defeated.

2.5. Focus on Details of 2014 FMARD Budget

To undertake a detailed review of the entire agriculture sector budget including that of the MDAs with budget heads will be unwieldy. Though they all contribute to realizing the sector targets, intend to dwell on the budget of the main Ministry (Federal Ministry of Agriculture and Rural Development- FMARD) to build the analysis of issues in the sector's budget proposal. This is not only because it is the lead for the sector's MDAs but its budget alone constitutes about 54.40% of the sector's totals.

The FMARD has a proposed budget (2014) of N36,260,705,926 down from the N47, 317,902, 788 in 2013. Some observers think this could be attributed to the expected dwindle in total collectible revenue for 2014. The 2014 proposal is broken down into N28,266,071,005 representing 77.95% for capital expenditure while the balance of N7,994,634,921 is for recurrent expenditure out of which personnel gulped N7,657,076,095 leaving N337, 558,826 for overheads. There is need to discuss the capital budget because it is the aspect of the budget that is invested into development projects and programmes and therefore significant for achieving desired economic transformation. On that basis, we shall look at the proposed capital budget and show how the proposals for 2014 differ from that of 2013:

Table 3: Key Comparism between 2013 and 2014 budgets for agriculture

²Recently organized by NANTs in Abuja

³ Considering the FCT as one of the Nigerian states

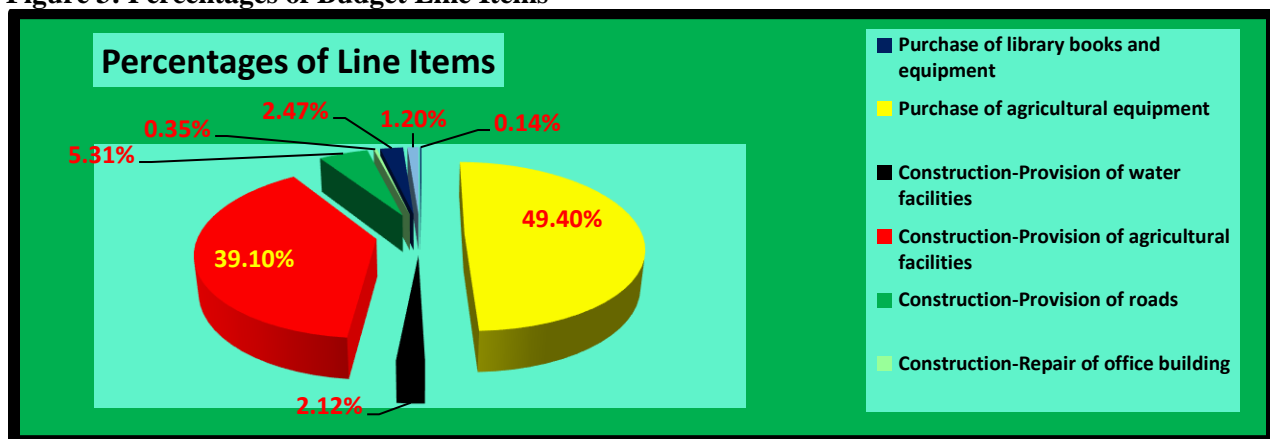
Item	2013 proposal	2014 proposal
Purchase of Library Books & Equipment	42,000,000	39,031,736
Purchase of agricultural equipment	23,837,873,762	13,951,880,764
Construction/provision of office buildings	1,620,000,000	NA
Construction/provision of water facilities	609, 222,730	600,000,000
Construction/Provision of agricultural facilities	10,735.929,818	11,049,658,505
Construction/provision of roads	1,288,000,000	1,500,000,000
Construction/provision of infrastructure	1,350,000,000	NA
Rehabilitation/repairs of office buildings	100,000,000	100,000,000
Research and Development	100,000,000	700,000,000
Monitoring and evaluation	560,000,000	325,500,000

Showing detailed breakdown of capital budget for agriculture 2013 and 2014

The purchase of agricultural equipment was allotted the sum of 13,951,880,764 representing around 49.4% of the entire capital budget. A critical look at the line items in the agricultural budget suggests that by agricultural equipment we refer to tractors and machineries, processing machines, fertilizers, sprayers and other agricultural inputs. The consideration of this sum for such investment is a worthy plus for the Ministry as these will enhance the achievement of the agricultural transformation agenda and support small scale farmers. One important critique of the budget in recent year is the non-recognition of small scale farmers and their contribution to food security in the country. However, it would be relevant to point out that in 2013 budget the purchase of agricultural equipment received 59% share of the capital budget, this time it is unclear what has accounted for almost 10% reduction to the item.

The provision of agricultural facilities followed as the second significant item on the list taking the share of 39.1% and some of the under-listed projects include: BT cotton development, Development of the staple crop processing zones, Fish Farm Estate Development, National Grazing Reserves Development, Artisanal fisheries development, quality assurance and certification of fish processing facilities, fish processing plants etc.

Figure 3: Percentages of Budget Line Items



2.6. Preliminary Observations and Concerns on the FMARD Budget Details

Purchase of Library Books:

A critical review of the items and their allocations raises some questions. With respect to purchase of library books and equipment, it is tempting to ask if the FMARD purchases books for her library every year. What types of books are these and what is their relevance to the work of the MDA. It can be argued that the proposed budget for books is not for the entire sector as MDAs also have budgets for books. For example, National Root Crops Research Institute Umudike (pg 14 of Agriculture & Rural Development Sector Budget) has budget for books.

Purchase of Equipment:

Secondly, while that line item talks about purchase of library books and equipment, it fails to specify which equipment and what amount is proposed for books and what for 'equipment'. It is only those who design the budget that understand the intended equipment and if in any event of these persons having to leave office, a replacing officer will certainly be at a loss. Such generic headings are impossible to monitor and therefore leaves a lot of room for budget abuse.

Construction and Provision of Roads:

The same may be said of item on Construction/provision of roads; and Rehabilitation/repairs of office buildings. First, we observe that FMARD had budgets for these in 2013 and also proposes to spend on them in 2014. Secondly, which roads and office buildings are these? It is rather tempting to ask if FMARD has become an Agency of the Federal Ministry of Works that undertake road construction.

Repair of Office Building:

The proposal to expend N100million on repair of office buildings for two successive fiscal years brings the issue of efficiency. Why spend that much on repairs when it can indeed build a new and magnificent edifice for the MDA? Furthermore, such generic and 'non-monitor-able' items litter the budgets of most of the MDAs. It is constitutionally expected that the National Assembly (NASS) in their oversight function should seek to find out what books and equipment the FMARD bought in 2013 and which it intends to buy in 2014. It is only when NASS begins to ask such 'oversight' questions that the MDAs will become prudent.

Non Discrete Items:

In addition to the traditional capital expenditure items listed in table 2 above, the budget does present a long list of items from page 3-7 of the sector detailed budget described as new. An analysis of the list shows that line items are listed and budgeted for without discretion. Let us consider some items there as examples:

Table 4: showing some repetitive items in the budget proposal

Items (as they appear in the List)	Frequency of Appearance in the budget	Combined proposed Amount
Seeds	3	1,702,875,000
Seeds and Seedlings	1	288,750,000
Improved seeds	8	1,375,200,000
Access to Seeds/Feeds	2	27,500,000
Inorganic fertilizer	14	2,193,748,750

Organic fertilizer	14	474,112,500
Access to fertilizer	2	37,000,000
School feeding program and feeding less privileged members of the public in six poverty stricken states of the federation	1	172,000,000

The table above shows some of the capital items that the FMARD proposes to procure in 2014, and for purpose of demonstrating the wrong practice in the budgeting approach of the MDAs, we have chosen to discuss just 3 of such items:

Repetition of Seeds, Seedlings, Improved Seeds, etc

The table shows that seeds, seeds and seedlings, improved seeds, and access to seeds are listed as different items with each listed as many times as are indicated in the table. The first observation about them is that all the items are practically, means of propagating crops and except for the technical necessity, the use of different terms does not help in understanding, implementing or monitoring the MDA's budget. What is lacking is that the budget did not state which crops the seeds, seeds and seedlings are for (such as cowpea seeds, rice seedlings, etc), and the quantities intended to be procured. If these were provided, it would make the budget a more open document and it can be so easily engaged by all stakeholders.

To illustrate the challenge of the MDA's approach, implementing the budget will be complicating because all the four line items have seeds implied under them and with a total proposed budget of N3,394,325,000 which exact seeds will be procured? Even if there is a sector plan that should provide more details of planned and costed projects and programmes, as should be, providing such specific information as which crop the seed is for would be helpful. Not providing this makes assessment by NASS and monitoring impossible. Imagine a monitor coming to FMARD and asking for seeds and (s)he is shown some bags of any crop (s) and (s)he turns again and asks for seeds and seedlings, and does the same for improved seeds, (S)he is likely to be shown the same bags over and over. Had there been crop specification, the monitor can be more specific in the investigations. Given the situation, it can be said that the budget contains unclear, confusing, repetitive and frivolous items that make the budget impracticable and therefore facilitating corruption and budget abuse.

Multiplicity of Appearance of Fertilizer

The other items of inorganic fertilizer and organic fertilizer listed in the table are equally guilty of the same charge as that of seeds and its relations. Inorganic fertilizers are listed and budgeted for fourteen times without specifying which inorganic fertilizer is being intended. Is it NPK and for what ratio(s) or which compound composition is intended? The organic fertilizer equally listed fourteen times also lack further information as to how different each item is from the next. This is an easy route to budget abuse.

School Feeding Program

An example of items that seem frivolous and spurious of which the budget as proposed may contain many of, is the last item in table 3 above: School feeding program and feeding less privileged members of the public in six poverty stricken states of the Federation. In many respects this item begs for clarification. Is it the FMARD that distributes food in schools? Would this role rather be left for the Ministry of Education, if deemed necessary as a policy? Further questions could be:

which schools? Who are the less privileged members of the public? Which are the six poverty stricken states?

3.0. Agriculture in Nigeria's Transformation Agenda and Other Development Strategies

As noted earlier, Nigeria's Transformation Agenda (TA) envisages a Gross Domestic Product (GDP) growth rate of 11.8% translating to N428.6billion and N73.2 trillion for real and nominal GDP respectively by 2015. The TA though recognizes the importance of other sectors of the economy to the achievement of its targets, but places agriculture as its main pillar. Similarly, the National Economic Management Team set up by Mr President had also identified and selected agriculture as its main beacon for employment generation and poverty reduction and had accordingly articulated a programme for implementation called the Agriculture Transformation Agenda (ATA). The reason for this special attention is that agriculture is expected to contribute about 36% of the expected GDP growth rate by 2015.

According to the ATA, policies and objectives for developing the agriculture and food security sector include (a) secure food and feed needs of the nation; (b) enhance generation of national and social wealth through greater export and import substitution; (c) enhance capacity for value addition leading to industrialization and employment opportunity; (d) efficient exploitation and utilization of available agricultural resources; (e) enhance the development and dissemination of appropriate and efficient technology for rapid adoption; (f) achieve self-sufficiency in rice production; and (g) achieve self-sufficiency in fertilizer production.

Summarily put the ATA set agriculture as:

- i. Key sector and driver of the economy to achieve socio-economic transformation of the country.
- ii. Employment generator.
- iii. Major contributor to GDP growth rate from 7.2% in 2011 to 11.8% in 2015

While these objectives are laudable, their achievement will however depend amongst other factors on how much commitment the nation demonstrates towards them in terms of resource allocation, implementation and management.

3.1. Funding and Infrastructural Requirements for the Transformation Agenda

A review of the funding requirements for the Transformation Agenda reveals that overall public sector investment projected is N24.46 Trillion with N607,296.10m for 327 agricultural sector projects and N500,795.59m for key policies, programmes and projects (KPPP). If this amount is spread over the 5 year period of the Transformation Agenda, 2014 total budget for KPPPs should be N100,159.118million.

The ATA did not provide clear infrastructural requirements for achieving its targets for agriculture but believing that crafters of the budgets are aware of the ATA targets, they have budget lines for

construction/provision of infrastructure which was N1,350,000,000 in 2013 but with no budget allocation proposed for 2014. Why this is the case is unclear.

3.2. Reflections on Line Items of 2014 Proposed Budget and the Direct Relevance to the ATA

The under-listed items are contained as critical areas for investment under the Transformation Agenda. A look at the proposed budget reveals that for those provided for in 2014, the following budgets were proposed for them.

Table 5: Showing projects that directly relate to the ATA

S/No.	Item	Proposed Budget In 2014	Implementing MDA
01	Capacity Building of Agric Extension Managers and Agric Field Officers on Agric Value Chains Selected Under the Agric Transformation Agenda (ATA)	5,000,000	National Agric. Extension Research Liaison Services- Zaria
02	Management Capacity Development for the Agricultural Transformation Agenda	30,000,000	Agricultural Research And Management Institute (ARMTI) - Ilorin
03	Gender Audit Of The Agricultural Transformation Agenda	10,000,000	FMA&RD
	Total	N45,000,000	

The proposed budgets for items that directly relate with targets in the Transformation Agenda amount to N45,000,000 signifying that though a capital budget of N35,151,172,583 is proposed for agriculture sector in 2014, only about 0.12% may directly affect the Transformation Agenda. In addition however, we submit there are obvious overlaps as some on-going projects that are not tagged ATA may indirectly contribute to the realisation of the Transformation Agenda targets.

3.3. Sufficiency Analysis of the Capital and ATA Related Budget Items

To say that for an Agenda driving the economy to a GDP growth rate of 11.8% by the year 2015 from 6.8% in 2012 having 0.12% of the agriculture sector capital budget for activities that relate directly to it is insufficient is to state the obvious. As was seen above, the 2014 financial requirement for executing KPPPS in the TA is N100,159,118,000, and only N45,000,000 was budgeted for activities that relate directly to the ATA leaving gap of N55,159,118,000. While the efforts to create specific budget heads that address the Agricultural Transformation Agenda are commendable, the critical areas of investment that would aid the realisation of the ATA have been neglected.

As is well known, fertilizer, planting materials and agrochemicals are very necessary inputs and providing them in quantities and qualities that meet the needs of Nigerian farmers is imperative. Dwelling on the fertilizer example to demonstrate the huge gaps⁴, Nigeria requires about 12 million metric tonnes annually for food production. That quantity amounts to 240 million bags of 50kg

⁴ The average fertilizer use in Nigeria is 13Kg/hectare compares to World average of 100Kg/hectare and 150Kg/hectare for Asia. Only 5% of Nigerian farmers could access the improved seeds, and they operate with only 10 tractors per 100 hectares compared to 241 tractors per 100 hectares in Indonesia.

and a bag costs an average of N2000 and therefore fertilizer costs for the country for the year 2014 should be about N480billion. This represents the amount that the Federal Ministry of Agriculture should use to procure and make fertilizers available to farmers for 2014 food production. Presently the proposed budget for fertilizer (all relations) in 2014 is N2,704,861,250 and that represents a huge gap (about N477billion) in resource allocation. Others such as planting materials and agrochemicals have proposed budgets that need to be beefed up to ensure that the basic inputs are sufficiently provided for Nigerian farming needs. Over the years, agriculture budgets to have missed out on this essential factor of adequate allocations for basic inputs leading to achieving less than expected yields and falling back on food importation with its attendant negative implications for foreign exchange and foreign reserve accretion. If the nation wants a different result, wisdom and experience dictate that actions should be different. Part of what needs to be done differently is the right setting of budget priorities and patterns especially with overheads.

3.3.1. The Downward Trend in Budgetary Allocations to Agriculture 2011 – 2014

Indeed, this analysis cannot be complete without reflection on the trend in budgetary allocations to the agricultural sector in the last few years and within the lifespan of the Transformation Agenda. The table below shows the various allocations from 2011 as a percentage of the total budget.

Table 6: trend of budgetary allocation to agriculture

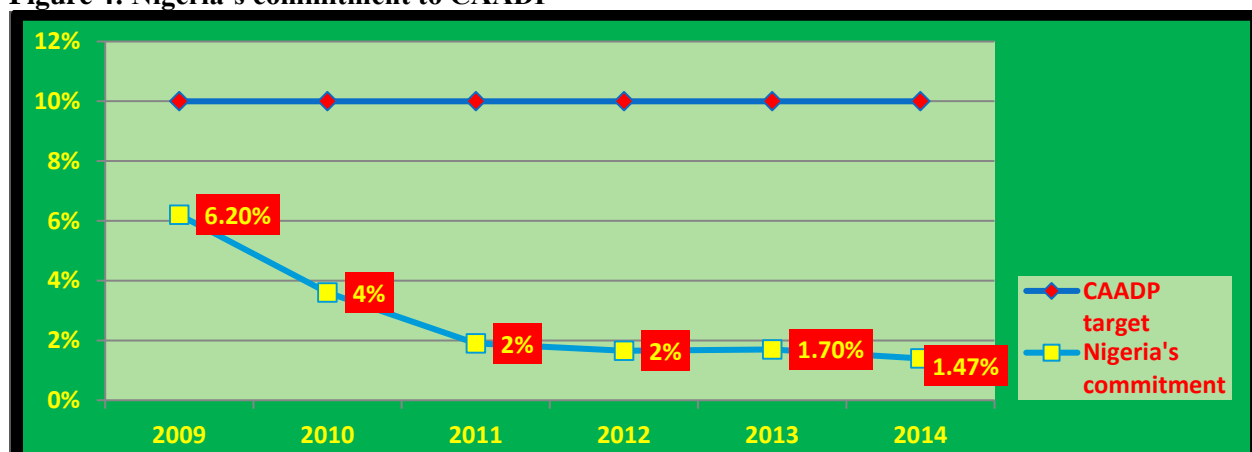
Year	2011	2012	2013	2014
Total Budget amount (N)	4.97 trillion		4.92 trillion	4.6 trillion
Amount allocated to agriculture	81.2	78.9 billion	81.4 billion	66.6 billion
Percentage of total	1.81%	1.66%	1.77%	1.47%

This review has observed a downward trend in the allocation of fund to the agricultural sector and this has worsened especially for the year 2014, where the agricultural budget share as a percentage of the total budget is abysmally lowest.

3.4. CAADP and Government’s Commitment Thereto

In recognition of the challenges facing the continent’s agricultural sector, African Union (AU) during her 2nd Assembly held in July of 2003 in Maputo, Mozambique, the African Heads of State and Government ratified an initiative called the Comprehensive Africa Agriculture Development Program (CAADP). The endorsement of the initiative was for the purpose of achieving a strong institutional and policy transformation in the agricultural sector in the continent. Two targets were reached at the meeting, namely; (i) to achieve 6% growth in the agricultural sector by 2015, and (ii) to commit 10% of the national budgets to agriculture. These targets were designed to put African countries on track to reach the first Millennium Development Goal (MDG) of reducing poverty and hunger in half by 2015. However, in contradiction, Nigeria’s budget for agriculture has been nose-diving from 6.2% in 2009 to 1.4% in 2014, a trend that further contradicts the purported agricultural-based economy, and job creating sector. The chart below shows that Nigeria is not even half committed to meeting the CAADP agenda, a pact she is a clear signatory to.

Figure 4: Nigeria's commitment to CAADP



3.5. Sierra Leone and Zambia as Best Practice Example

Incidentally, Sierra-Leone shares a similar vision of making its agricultural sector an engine for socio economic development. During the years of their transformation, it demonstrated its commitment to agriculture through budgetary allocations and in that regard had such allocations as 1.6% in 2007; 7.7% in 2009 and about 10% in 2010 of its total budget.

Similarly, Zambia also demonstrated commitment to meeting the Maputo declaration by increasing the trend of her budgetary allocation to the agricultural sector. The figure below shows the trend of budgetary allocation of Zambia from 2011 to 2014

Table 7: Zambian allocation to agriculture

Year	2011	2012	2013	2014
Amount in KR Million	1231.6	1698.0	1865.4	3080.0
Percentage allocation	6%	6.1%	5.8%	7.2%

Source: Indaba agricultural policy research Institute 2013

4.0. A Review of the Overheads for Relevance and Appropriateness

Though the greater focus of this review is on the capital budget because it directly impacts development, but given that most times resources are not enough to fund capital projects, the overhead budget being the competitor, the overhead proposals of the FMARD needs an extensive review with a view to saving some funds and rechanneling them into the capital expenditure and thus increasing the chances of the budget to improving national food security. Below is a table showing the 2014 proposed overhead for agriculture Ministry, and our remarks and recommendation on each item.

Table 8: showing the 2014 proposed overhead expenses

S/N	Overhead Expenditure Item	2014 (Naira)	Budget Abuse Issue	Recommended Reaction To The 2014 Proposal
01	Local Travel and Transport: Training	18,853,550	Repetitive and distracts from capital budget implementation	Collapse all 01,02,03,04, 21 and 22 into one line item of training and reduce the cumulative budget proposal by 50%
02	Local Travel and Transport: Others	30,503,854	Same as above	Same as above
03	International Travel & Transport: Training	9,639,408	Same as above	Same as above
04	International Travel & Transport: others	29,728,557	Same as above	Same as above
05	Electricity Charges	28,761,581	Frivolously Over-bloated	Reduce by 70%
06	Telephone charges	2,931,620	Normal	NASS to oversee actual expenditure
07	Water rates	4,569,394	Over-bloated	Reduce by 30%
08	Office Stationeries/Computer Consumables	1,643,047	Over-bloated	Reduce by 70%
09	Newspapers	2,670,914	Over-bloated	Reduce by 50%
10	Magazines & Periodicals	708,394	Normal	NASS to oversee actual expenditure
11	Printing Of Non Security Documents	8,454,229	Over-bloated	Reduce by 70%
12	Printing Of Security Documents	2,824,826	Over-bloated	Reduce by 30%
13	Drugs and medical supplies	1,415,986	Repetitive and similar to 32 and NHIS under personnel costs	Remove completely
14	Uniforms and Other clothing	236,398	Frivolous as uniforms were procured in 2013	Remove completely
15	Maintenance Of Motor Vehicle / Transport Equipment	26,580,337	Over-bloated	Reduce by 70%
16	Maintenance Of Office Furniture	4,669,318	Unnecessary as furniture was maintained in 2013	Remove completely
17	Maintenance Of Office Building / Residential Quarters	4,042,120	Unnecessary as the structures were maintained in 2013	Remove completely
18	Maintenance Of Office / It Equipments	1,878,442	Unnecessary as office was maintained in 2013 and IT equipments were purchased	Remove completely
19	Maintenance Of Plants/Generators	4,703,584	Over-bloated	Reduce by 70%
20	Other Maintenance Services	2,888,301	Frivolous	Remove completely
21	Local Training	14,144,205	Repetitive and distracts from capital budget implementation	Collapse all 01,02,03,04, 21 and 22 into one line item of training and reduce the cumulative proposal by 50%
22	International Training	7,633,883	Repetitive and distracts from capital	Collapse all 01,02,03,04, 21 and 22 into one line item of

			budget implementation	training and reduce the cumulative proposal by 50%
23	Security Services	9,440,106	Frivolous	Remove completely
24	Cleaning & Fumigation Services	3,777,331	Over-bloated	Reduce by 70%
25	Information Technology Consulting	4,717,763	Over bloated	Reduce by 85%
26	Legal Services	3,003,820	Over bloated	Reduce by 50%
27	Motor Vehicle Fuel Cost	15,094,415	Repetitive as already covered under item 15	Reduce by 70%
28	Plant / Generator Fuel Cost	5,573,319	Repetitive as already covered under line item 19	Reduce by 70%
29	Refreshment & Meals	3,053,703	Frivolous	Remove completely
30	Honorarium & Sitting Allowance	3,173,202	Normal	NASS to oversee actual expenditure
31	Publicity & Advertisements	4,704,482	Normal	NASS to oversee actual expenditure
32	Medical Expenses	5,275,700	Repetitive and similar to 13 and NHIS under personnel costs	Remove completely
33	Postages & Courier Services	1,472,522	Over-bloated	Reduce by 70%
34	Welfare Package	30,456,325	Frivolous	Remove completely
35	Subscription To Professional Bodies	474,750	Normal	NASS to oversee actual application
36	Sporting Activities	2,859,44	Frivolous	Remove completely

The overhead budget of FMA&RD as reproduced in table 8 above shows lines such as local travel and transport: Training with N18,853,550, **(N19,950,721 in 2013)**; local travel & transport :others with N30,503,854, **(N32, 279,007 in 2013)** International Travel & Transport: Training with N9,639,408, **(N15,092,216 in 2013)**; International Travel &Transport: others with N29,728,557 **(N31,458,592 in 2013)**; Electricity charges with N28,761,581 **(N31,751,133 in 2013)**; office stationeries/computer consumables with N36,643,047 **(N40,091,255 in 2013)**; Uniforms and other clothing with N236,398 **(N250,155 in 2013)**; other maintenance services with N2,888,301 **(N3,056,384 in 2013)**; local Training with N14,144,205 **(N14,967,318 in 2013)**; International Training with N7,633,883 **(N11,952,208 in 2013)**; Refreshments and Meals with N3,053,703 **(N3,231,412 in 2013)**; and Welfare packages with N30,456,325 **(N32,228,712 in 2013)**, etc.

These budget lines contain: repetitions such as on trainings; contain frivolous estimates such as on electricity charges and when it is considered that there is a N4,703,584 budget for maintenance of plants and generators, it attains a ridiculous dimension; spurious and frivolous budgets such as refreshment and meals and welfare packages. To discuss the inherent misguided entire overheads will be too lengthy and sickening but an analytical look at the refreshment and meals for example will drive home the point about resource wastage.

There are 254 work days in the year 2014 and the cost of daily refreshment amounts to about N12,022.45. Who is refreshed from this budget? Is it an everyday affair? Does the MDA run a free staff restaurant? How exactly is this fund spent? Take the neighbouring item of welfare package to the tune of N30,456,325 despite the salaries and allowances claimable by staff and officers of this MDA. Is this welfare package for Christmas and Sallah celebrations or to celebrate birthdays

of staff? This budget and that of almost all the other MDAs including the Presidency and the NASS is so unfair (if not criminal) in a country where 70% of the citizens survive daily on the fringes of society and lacking education, health, housing, and adequate food. These over-bloated, frivolous and repetitive items can be properly and efficiently reallocated so that funds are mopped up and reallocated to critical capital projects and programmes that will help eradicate poverty in Nigeria. If these funds are thus reinvested, the nation will discover a positive shock that it may meet the international benchmarks for investment in social sectors such as education (26%), health (15%) and Agriculture (10%) of annual total budgets.

5.0. Other Budget Challenges Facing the Agricultural Sector in Driving the Economic Transformation of 2011-2015

Beyond the traditional (usual) and well known challenges facing agriculture, there is need to identify pertinent issues that relate to the budget and which may hinder the agricultural sector from being the driver of the economy as foreseen in the Transformation Agenda.

Poor Nexus between Annual Budget and the Rural Farmers

Perhaps the first concern is the lack of nexus between the annual budget allocations and small holder farming in the Country. About 66% of the population is engaged in different types of farming activities with a further 90% of them engaged at small scale levels. About 80% of food produced locally in the country is also produced through farming at the small holder farms; but despite these, small scale farmers (SSFs) in rural communities hardly feel the impact of the annual budgets (except perhaps for the recent GES). As mostly illiterate though intelligent, SSFs are neither able to follow budgets nor demand any interventions and thus left at the mercy of market forces and competition over farming inputs with the fewer, richer and more educated and powerful ‘political farmers’. If agriculture is to play the role of GDP growth driver through contributing 36% of the GDP in 2015, the inputs required by producers of 80% of the food consumed by Nigerians and Nigerian industries must not be left to sheer market forces. Every economic, social and physical barrier to small scale famers’ access to farm inputs such as fertilizers and improved varieties of propagation materials must be dismantled and this implies conscious efforts on the part of FMARD. Areas for consideration may include further subsidizing the cost of critical inputs such as fertilizer and making sure that they reach farm communities timeously.

Poor Absorption Capacity of the FMARD

Secondly, budget implementation capacity of the FMARD and related Departments and Agencies is critical for success. From an analysis of the 2010-2012 budget performance, it is obvious that in none of the years did the agriculture MDAs utilize their capital budget 100%. While the reasons for this are not fully clear except that according to the Budget Office of the Federation there exists poor project management practices by some MDAs, the time consuming procurement process that the various projects and programmes undergo is certainly a factor. While following due process in procurement has led to savings of public funds, its impact of delay in timely execution of projects seems to cancel out the benefit. The FMARD and their relatives (departments and agencies) should find ways of ensuring due process and yet timely project execution of capital projects.

Poor Understanding of the Budget

Beyond the issue of due process and timing, knowing what to do and how to do it (technical capacity) is equally important. Given the huge gaps between capital budget allocations and utilization rates, the budget implementers (MDAs) need to step up their capacities. This they are adequately positioned to do especially as the budgets provide for different forms (local and international) of trainings. What further baffles one is why do the MDAs have capacity to expend their overheads and personnel cost and not capital budgets?

Stepping up Monitoring and Evaluation

Although there is a budget for monitoring and evaluation of the approved budget (N560,000,000) for the Agric Ministry, the issue of monitoring and evaluation of not only capital budget but also of the overhead is pertinent. Budget implementation monitoring and evaluation must not be left to the MDAs such as FMARD but also to the NASS, and unbiased Civil Society Organisations. Such robust participation in budget monitoring and evaluation will certainly increase value of money to Nigerians. The challenge though is whether the MDAs will make budget implementation information and their cash flows available to external monitors and evaluators? How much the Freedom of Information Act can help in this regard is due to be tested.

Regarding the subject of budget implementation monitoring, the table below shows the level of Agriculture Budget Implementation over 3 years (budgeted versus actual).

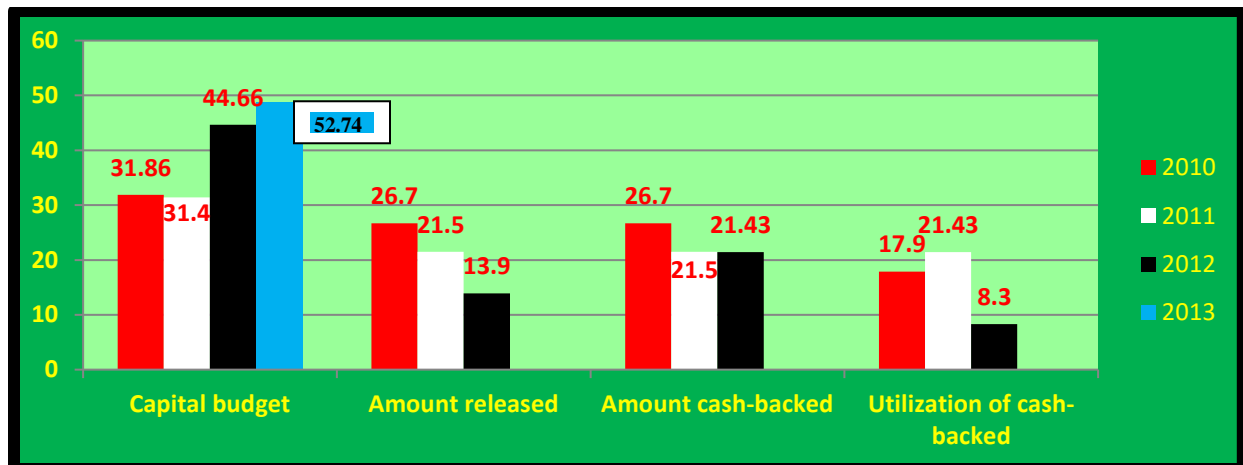
Table 9: Agric budget Implementation 2010 - 2013

Year	Agric. capital budget	Level of utilization (%)				
		Amount released (N billions)	Amount cashed back	Utilization of cash backed funds (N)billion	%age of cashed backed amounts	%age of total releases
2010	31.86	26,730.652,327	26,725,719,041	17,885,989,373	66.92	66.91
2011	31.4	21.50	21.50	21.43	99.66	99.66
2012	44.66	13,898,352,780	13,357,648,336	8,248,131,659 ⁵	61.75	59.34
2013	48.73					

The table above and the chart below show that capital allocation to agriculture between 2010 and 2013 is somewhat irregular because the allocation in 2010 is greater than that of 2011 whereas the allocation in 2012 is greater than 2011's and the proposed capital budget for agriculture in 2013 is greater than 2012 allocation. The reason for the lower allocation in 2011 according to the budget Office of the Federation (BOF) is due to a fall in international crude oil price which further affected revenue expectations. But what the year lost in terms of nominal amount of capital allocation, it gained in having 99.66% of cash backed capital budget utilization. Though the other years received higher allocations, 2011 seems to have had more impact in real terms in the sector going by its implementation level.

Figure 5: Agric Budget implementation 2010 - 2013

⁵ As at the end on June 2012



The chart above is a clear representation of the implementation of Agric budget within the overall National budget from 2010. The probable reason for this exceptional level of implementation in 2011 is that the fiscal year was extended from December 2011 to March 2012, though on the other hand the fiscal year started late (April 2011) bringing the entire implementation period to the usual 12 months. However, the point here is that the amount allocated to the sector is important but the level of implementation is more important, after all it is the utilized budget that can provide facilities, equipment and inputs for farming which increases yield, income and growth of the GDP and not the allocated funds lodged perhaps with the Central Bank of Nigeria.

6.0. Conclusions and Recommendations

6.1. Conclusion

What this review has done is to x-ray the agriculture budget for 2014 and its potentials to contribute to the realisation of the targets of the Transformation Agenda. The key issues for analysis included: the budget size in relation to Maputo Benchmark for agriculture investment; the ratio of capital to recurrent expenditure being compliant with the MTEF 2014-16 guideline; relevance and sufficiency of proposed capital projects to contribute to the ATA targets; relevance and appropriateness of proposed overhead; and other budget related challenges that may limit achievement of the ATA targets.

The review concludes that the agriculture sector capital budget being only 3.19% of the total capital budget for 2014 is far less than the 10% Maputo benchmark for agriculture investments and the implication is that food security in Nigeria can only be far from being guaranteed. The review has also observed that the capital to recurrent budget ratio of 52.74%:47.26% for the sector complies with and indeed surpasses the MTEF 2014-16 recommendation of 26.22% for capital expenditure and 73.78% for recurrent (Page 9 of 2014-2016 MTEF) and with this, agriculture not only has potentials for executing many capital projects and thus increase ATA targets achievement but also sets a model for all sectors to follow.

The budget was also found to have capital projects that could potentially contribute to achieving the ATA; however, the sizes of allocations to them are not sufficient but with huge gaps. Many of

the proposed overhead budget items and sizes of allocation to them were found to be frivolous, over-bloated, repetitive, and unnecessary with some found to be normal.

The inability of annual budgets to directly impact SSFs leading to poor overall national food productivity; less than perfect capacity of sector MDAs to implement capital projects resulting in low realisation of ATA targets; and low participatory monitoring and evaluation of budget implementation which has encouraged MDAs to rather implement the budgets with impunity in deviations were found to be other challenging issues.

6.2. Policy Recommendations and Advocacy Messages

The following are few recommendations arising from the findings:

6.2.1. FMARD Capital and Recurrent Budget Ratio as a Model for other MDAs:

The capital and recurrent budget ratio for the sector of 52.74%:47.26% is greater than the MTEF stipulated minimum of 26.22% for capital expenditure and 73.78% for recurrent (Page 9 of 2014-2016 MTEF) and this is commendable. It is hereby recommended that all sectors especially the social sectors be made to follow that model.

6.2.2. Re-apply 'Misallocations' to Capital

Increase agriculture budgets as a percentage of the total budget progressively from the proposed 3.19% towards the 10% Maputo benchmark as a demonstration of the commitment the nation has to agriculture as a major vehicle for achieving food security, creating employment and contributing majorly to growing the GDP from 7.2% in 2011 to 11.8% in 2015. Sources for additional funds could be from the prunes from budget 'misallocations' in the recurrent budgets of the MDAs and the unjustifiable statutory transfers to some national institutions like the National Assembly.

6.2.3. Clarity must be provided for Repetitive Allocations

Increase resources for inputs such as fertilizer, seeds and agrochemicals and specify budget lines enough to guide understanding, analysis, monitoring and evaluation of budgets. Such headings as 'fertilizer' repeated 14 times without specifying which and for what is confusing. Providing clarity in such headings will assist both internal and external monitoring of budget implementation.

6.2.4. Increase funding is required for the GES

Since the GES has shown appreciable level of success by dethroning corruption associated with previous fertiliser subsidy and distribution, it is needful therefore to provide additional funding to the Growth Enhancement Scheme so as to reach more rural farmers with the subsidy and with increased size.

6.2.5. Make the Rural Small holder Farmers the Focus of 2014 Agric Budget

Prioritization of the distribution of inputs to small holder farmers who produce 80% of the total local food production than to political farmers who commercialize the inputs by selling them at cut-throat prices, is key to food security and the achievement of the ATA. The FMARD should use the established distribution channels to ensure that fertilizers, improved varieties and agrochemicals procured within 2014 budget are not diverted by unpatriotic fertilizer merchants. Similarly, every economic, social and physical barrier to small scale famers' access to farm inputs such as fertilizers and improved varieties of propagation materials must be dismantled and this implies conscious efforts of the part of FMA&RD. Areas for consideration may include subsidizing the cost of critical inputs such as fertilizer and making sure that they reach farm communities timeously.

6.2.6. Need to re-allocate over bloated Overhead

The proposed overhead budget of the FMARD contains some over-bloated, frivolous and repetitive items can be properly and efficiently reallocated to critical capital projects and programmes that will help achieve the TA of Nigeria. If these funds are thus reinvested, the nation will discover a positive shock that it may meet the international benchmarks for investment in social sectors such as education (26%), health (15%) and agriculture (10%) of annual total budgets. The NASS is encouraged to consider the recommendations made on the overhead proposals in table 8 in arriving at appropriate figures for the line items.

6.2.7. Early release of Agric Budget is critical for the 2014 farming season

The early release of the budget proposal is key to achieving significant level of implementation of the capital budget especially in the critical sectors such as agriculture. The national assembly is requested to ensure that the budgetary releases are made as at when due, and in consideration of the farming season.

6.2.8. Appropriating with Maputo Commitment in view

For a sector that is supposed to drive the economy of the country, there must be a commitment to funding the sector effectively. The federal and state budgets must recommit increase agriculture budgets as a percentage of the total budget progressively from the proposed 1.4% towards the 10% Maputo benchmark within a specified timetable. Agriculture is a major vehicle for achieving food security, creating employment and contributing majorly to growing the GDP from 7.2% in 2011 to 11.8% in 2015. Sources for additional funds could be from the prunes from budget 'misallocations' in the recurrent budgets of the MDAs and the unjustifiable statutory transfers to some national institutions.

6.2.9. Further Clarifications Required on many Budget Items

Clarify budget lines enough to guide understanding, analysis, monitoring and evaluation of budgets. Such headings as 'fertilizer' repeated 12 times without specifying which and for what is confusing. Providing clarity in such headings will assist both internal and external monitoring of budget implementation.

6.2.10. Capital Budget Implementation is Key

Implementation of capital budgets should be intensified as only such can aid economic growth. To this end, both the MDAs and National Assembly should adopt proactive measures that will promote timely execution of capital projects. NASS could at the point of budget approval attach time frames to capital budget execution and FMARD should increase its capacity to implement capital budgets through trainings and keeping procurement process delays and administrative bottlenecks under control. Furthermore, implementation should not be based on the amount of fund released but on the actual impact and contribution of the project to the development of the nation.

6.2.11. Stakeholders Involvement is necessary for Transparent Budgeting

The FMARD is called upon to learn to involve stakeholders (including farmers organizations and civil society organizations) during their annual budget preparation process, as this would reduce frictions and provide clarity, increase visibility and transparency and improve the usefulness of the budget to the final beneficiaries.

6.2.12. The need for Funding and Revitalization of ADPs and Extension Agents

The role of the Federal Ministry of Agriculture and Rural Development is that of policy formulation, supervision and regulation of agencies and departments under her purview. More responsibilities should be relinquished to these Agencies such as the ADPs so as to encourage and activate effective implementation of agriculture policies set out by the FMARD. Otherwise, some of the Agencies would be lying dormant and passive. This is exactly what is observed with the ADPs and the passivity of the Extension Agents and their services. To this end therefore, funds should be allocated to this re-activation process and responsibility while the Ministry concerns herself with policy issues.

6.2.13. Multi-year Budgeting and Funding for Agriculture

Given the seasonal nature of agriculture and its implications for farming, it is important for the Parliament and the Executive to consider multi-year budgeting system to allow for smooth transition. The situation where farmers wait for so long for budget to be passed for inputs to be procured while farming seasons that are naturally time-bound are missed does not augur well for our agricultural sector especially with regards to government's vision towards making agriculture as a target sector for growth and development. A case in point will be the supply of fertilizer and other seeds o inputs long after the farming season has elapsed.

6.2.14. Incorporating Budget Timelines with our Budget

In line with the provisions of the Fiscal Responsibility Act, budget implementation timelines and procurement plans should be presented alongside budget proposals so as to facilitate effective monitoring of expenditure as approved in the budgets.

6.2.15. Multilateral Funds into the Agriculture Sector and the need for Adequately Capture

Apart from budgeted funds, it is observed that there are other funds coming in from international community into the agriculture sector (just like other sectors and Ministries). However, these funds are not captured in the budget books to facilitate a comprehensive appraisal of overall funds coming into the system. What this rather encourages is the possibility of funds emptying into private hands while also discouraging transparency and accountability. The Parliament has the responsibility of ensuring that all funds pass through appropriation and by so doing, every fund the system can be effectively tracked. The Central Bank as well as the Accountant General of the Federation would all be in the know of the correct volume of funds coming into the system.

Secondly, such oversight from the Parliament would help the country to track how much is coming from donor agencies and overall ODA and how much is actually spent on the economy. It would also discourage a situation where grants or loans are purportedly given to the country and the higher percentage is sucked back to the countries or organizations of origin through spurious and phantom international contracts and consultancy.

Thirdly, it would help effective planning of the economy while also assisting the nation to observe whether commitments such as Maputo are met or not. Generally, such comprehensive appropriation method herein canvassed also helps the Parliament to oversee appropriations in fulfilment of their roles as enshrined in the nation's Constitution.

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