

WS1 – Are Local Investor Farmers Making Small-Scale Farmers More Productive and Commercialized? Evidence from Nigeria

TS Jayne*, M. Muyanga*, S. Liverpool-Tasie*, T. Awokuse*, A. B. Aromolaran+

*Department of Agricultural, Food and Resource Economics, Michigan State University
+ Faculty of Agriculture, Adekunle Ajasin University, Ondo State, Nigeria

Work Stream 1 Panel Study

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Introduction

- Recent evidence suggests that changing structure of land ownership in sub-Saharan Africa
 - The rapid rise of a medium-scale farming
- In Nigeria, data from farm listing exercise carried out in September, 2017 and key informant interviews show rapid investment by medium-scale investor farmers in the country
- The objectives of this study is to understand how these investor farmers are influencing the behaviour and welfare of the millions of small-scale farm households around them
 - Are they helping smallholders to become more productive and commercialized, or are they making it more difficult for them to do so?



Research questions

- Are new land acquisitions by investor farmers displacing or constraining access to land by smallholders, youth and others in nearby local communities?
- Are these acquisitions pulling in providers of agricultural inputs and services that improve market access conditions for nearby small-scale farmers? Specific examination of:
 - whether tractor rental markets are developing because of investor farmers renting out their tractor
 - whether the surpluses produced by larger investor farmers is pulling in new private investment in crop procurement
 - etc.
- What is the net effect of local investor farmers on the productivity and commercialization of small-scale farm households?



Methodology: Survey

- Main data source is primary data collected from farm households in two states, Kaduna and Ogun
 - Kaduna- LGAs: Chikun, Kachia, Soba
 - Ogun- LGAs: Imekon Afon, Odo Ona Ota, Ijebu
- Fieldwork conducted in three phases:
 - Phase I: Complete listing of all medium- and large- scale farms in all Wards and Communities in each of the identified LGA using a listing protocol- carried out in September-October, 2017
 - Phase II: First household survey: about 800 smallholders and 2500 medium/large farms systematically sampled for interviews
 - Phase: III: Second household survey



Methodology: Data [I]

- Survey instrument captures information on how the medium-scale investors obtained land, and how the land is being used
- Collect GPS data of all farms:
 - proximity of small-scale farms to medium-scale investor farmers can be computed and variables constructed for potential influence of investor farms
 - Run either CRE or FE models to control for unobserved heterogeneity in examining the relationship between smallholder commercialization/productivity indicators and their proximity/influence of nearby investor farms
- We need to ensure a clear gradient of proximity in our sample, which could influence our sampling design



Methodology: Data [II]

- We will also follow up with qualitative and key informant surveys to ground truth initial findings from statistical analysis.
- We may also do detailed retrospective surveys of a small group of smallholder farmers who are found to be particularly high on the productivity/commercialization scales
 - To find out more about the ‘life histories’ of these farmers and the various factors influencing their current success



Next Steps [I]

- First round of the study
 - First household survey: March-April, 2018.
 - Data cleaning: May, 2018
 - Preliminary data analysis and report: June-August, 2018
 - Possible qualitative fieldwork: September-October, 2018
 - Policy outreach event in Abuja, Nigeria: November, 2018



Next Steps [II]

- Second household survey: March-April, 2020
 - Econometric analysis
 - Two journal articles:
 1. *The rise of medium-scale farming in Nigeria*- documenting how important medium-scale farming is in Nigeria
 2. *Are Local Investor Farmers Making Small-Scale Farmers More Productive and Commercialized? Evidence from Nigeria*



The Team

Team Member	Organisational Affiliation	Area of Responsibility
Thomas S Jayne	Michigan State University	Lead principal investigator
Milu Muyanga	Michigan State University	Investigator/data
Saweda Liverpool-Tasie	Michigan State University	Investigator/analysis
Titus Awokuse	Michigan State University	Investigator
Adebayo Aromolaran	Dekunle Ajasin University	Investigator/local collaborator