Constraints to Economic Diversification and Profitability of Agricultural Production in Nigeria

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Abstract

Nigeria has not demonstrated high level seriousness towards diversifying the country's economy by tackling threats militating against agricultural development that undermine mass participation as a result of low earnings and productivity. Using content analysis, the paper examines factors inhibiting diversification of Nigeria's economy and increased profitability in agriculture production. Systems theory was used as the theoretical framework. The paper concludes that problems bedeviling economic diversification and profitability of agriculture are multifaceted but dominantly reside with the Nigeria's political economy. It is recommended that there is the need to adopt a new approach to stem the tide of weak institutions through leadership reinforcement using the Public Private Partnership management system, for corporate benefits that gives stake to the peasants and increase their incomes and earnings from agricultural production.

Keywords: *Economic Diversification, Profitability*

INTRODUCTION

Nigeria's quest for sustainable economic development remains a highly contestable issue despite the country's enormous natural and human resources. With a population of well over 200million people and abundant mineral resources that only a few nations could boast of, Nigeria still struggles to tap and exploit its natural endowment to improve the quality of life of its people with about 133million constituting 63% living under multidimensional poverty (National Bureau of Statistics, 2022). The most affected of this population are the rural dwellers whose major activity and means of livelihood is farming (Ofana, Efefiom & Omini, 2016).

Nigeria's agriculture is one of the most endowed. The country is blessed with vast arable land and youthful population, but the sector has suffered years of neglect due to heavy dependent on oil (Kemi, 2016). The priority given to agriculture has been on a decline, with little success at rediscovering its place of pride making all diversification efforts rhetoric. Agriculture in Nigeria comprises four subsectors namely food-crop, livestock, fishery and forestry. None of this has recorded the much needed turnaround to justify for the numerous agricultural development programs and policies initiated by government for more than four decades of emphasis on diversification.

Diversification policy under the neoclassical system that Nigeria has transmuted into since the introduction of Structural Adjustment Program (SAP) in 1986, has not lived to its principles of promoting private sector driven economy with agriculture giving critical attention. As a result, the sector has not received the priority support to justify for the needed incentives to burst the capacity of farmers through increase income that will improve their productivity, socio-economic conditions and promote mass participation in agriculture. Unfortunate, what have become of farmers under the prevailing situation is depleted resources culminating into lack of capacity to conveniently access inputs, new technology, markets, credit/capital, extension services among other important needs (Monye-Emina, 2019). At the macroeconomics level, this has limited their ability to contribute meaningfully to the economy in the areas of food security, export for foreign earnings and many more. Unfortunately, Nigeria remains an import dependent country of even agricultural goods that it has comparative advantage on. For instance, in spite introduction of plethora diversification policies, the country cannot boast of food sufficiency in maize, rice, wheat etcetera but rely on imports to fill the local supply and production gaps (Ado, 2017). This is partly caused by poor support to farmers leading to low returns or earnings from production.

Farmers in Nigeria are the least on the spectrum of social stratification (Osuagwu & Osabohien, 2018). They are the wretched of the earth despite huge resources that have over the years been channeled towards agricultural development, all in the attempt to diversify the economy base. The ineffectiveness of several programs under different policies and administrations to bring about change in the economy raises the following fundamental questions: What are the problems associated to economic diversification that hinders its attainment and increased benefit of maize production to farmers? For how long would Nigeria emphasize the need for economic diversification and actualize it through effective implementation of policies that encourage mass participation in agricultural production? When would Nigeria's economy be truly diversified and achieve sustainable agricultural development that will fully utilize the potentials of farmers by improving their production capacity and economic wellbeing through increased earnings? Determine to answer these questions, this paper seeks to examine factors militating against diversification of Nigeria's economy and improved profitability in agriculture. It does so against the background that the neoclassical economic system that Nigeria has transformed into is premised upon formulation of enduring policies that creates conducive atmosphere for private sector participation in the economy through profit making.

CONCEPTUAL ANALYSIS

Economic Diversification

Economic diversification according to Ogbonna (2017) refers to as a process where a country has more than one revenue sources that guarantees sustainable economic growth and development against depending on one sector. There are countries that depend on one sector due to their limited endowment but still record sustainable growth as a result of prudent utilization of resources. A nation can only exploit resources within its reach. No wonder United Nations (2016) sees diversification as a means of economic transformation that eliminates reliance on a particular means to utilization of diverse options that prioritizes primary, secondary and tertiary opportunities at the disposal of a nation.
Trade and Competitive Global Practice (T&CGP, 2017) provides a more elaborate and succinct definition that subsumes Nigeria's agricultural realities and rationalizes the neoclassical economic system. It defines economic diversification as the shift toward a more varied structure of trade and domestic production so as to increase productivity, create jobs and provide the base for sustained poverty-reducing growth. Diversification is the process whereby an economy expands the range of sectors it produces in the markets that served as its sources of income. The objective is to create a stable and sustainable level of income at a relatively high level.
Economic diversification is the optimization of opportunities and potentials in other sectors of the economy like agriculture to achieve sustainable growth and development through increased income and profit in production to improve the wellbeing of the generality of the people.

Profitability

Profitability is a derivative of profit which is a major concept within the field of Political Economy. The divergence views and endless discourse between the liberal school personified by Adam Smith and radical scholars inspired by Karl Marx makes the term profit an important concept (Akpuru-Aja, 1998).

Bumbescu (2015) asserts there is no consensus on the term. He situates his conception of profit within the organizational prism which was heavily hitherto criticized and referred to as "surplus value" by the radical school. Profit or profitability as conceived by Marx can hardly fit into the type of Nigeria's agricultural production that is dominantly small-scale. Under the smallholding as it applies to most developing nations, peasants depend on their family members for labor and as well own the land and capital for production (World Bank, 2008). A definition that takes this into account is by Directorate Agricultural Production Economics (2015) which conceives profit as reward to remuneration to own land, capital and management (including own and unpaid family labor).

Evans (2021) provides succinct definition and makes distinction between profit and profitability. Profit is an absolute measure of the positive gain from an investment or business operation after subtracting all expenses. Profitability is the size of the profit relative to the size of the business. Unlike profit, profitability is a relative measure of the success or failure of a business. This conception fails to realize that profitability is a derivative of profit.

From the standpoint of this study, profit is synonymous with profitability which is the net profit made from the sale of commodity by a producer and has the multiplier effect of impacting on his income, production and encouraging mass participation in agriculture. It is also the ability to sustain constant increase in profit from agricultural production that engenders expansion and better the lots of farmers by improving their wellbeing and contribution to the national economy.

Theoretical Framework

Systems Theory propounded by David Easton in 1953 and advanced by Gabriel Almond, G. C. Powell, Morton Kaplan, Karl Deutsch among others is adopted as a framework of analysis considering its relevance in explaining outcome of public policy based on the nature and character of a political system. The theory rides on input – output approach in the explanation of activities within the state and the feedback to political system. The input comprised demands and support whereas output connotes authoritative decision making (Pickel, 2011).

Increase demand for economic development in Nigeria has not translated to economic diversification that will harness the potentials of the agricultural sector and enable effective extraction of resources to bring about increased profit to farmers. Poor incentive evidently through low profitability in production causes stress within the system which inhibits agricultural development that will stimulate high productivity in the sector (Gulesh, 2016). The increasing demand for economic diversification is a continuum existing in vicious circle without tangible results diminishing the support of peasants towards government policies on diversification and agriculture development.

Systems theory promotes capitalist establishment which may not explain the class interest within a peasant economy like Nigeria. The theory fell-short in explaining the guiding principles behind certain decisions and reasons for their failure like it is the case with economic diversification and agricultural development in Nigeria. The theory is abstract.

BACKGROUND TO ECONOMIC DIVERSIFICATION IN NIGERIA: ISSUES WITH RESOURCE CURSE

The Nigeria’s colonial economy rode on agriculture to achieve its objectives by monetizing the peasant economy and emphasizing production of cash-crops like cocoa, ground-nut, palm-oil and many others (Okorobia, 2012). This provided viable revenue based for running the affairs of colony and development of the metropolitan economy. During this period, agriculture was the mainstay of Nigeria’s colonial economy, contributing highest to the Gross Domestic Product (GDP) and serving as the major source of government revenue through taxes, foreign exchange, export and employer of labor for well over 70% of the country’s population (Olaniyi, Adedokun, Ogunleye & Oladokun, 2015).

The same trend accompanied the post-colonial economy, but with noticeable changes after the discovery of oil and the 1967 boom that later changed the political economy of Nigeria and henceforth largely influenced by Resource Curse. Prior to this era, the malaise within Nigeria’s economy was less impactful as the country seems to be on the path of industrialization, bearing every signs of linkage with other sectors as basis for diversification predicated on sustainable growth and development.

The reciprocity between agriculture and other sectors of the economy before the oil regime was well documented by Suberu, Akande and Olure-Bank (2015). For instance, revenues from agriculture provided the resources for various projects embarked by the three regional governments in the areas of education, social and critical infrastructure. However, the high expectations that greeted the new oil regime did not replicate same to develop agriculture and other complementary sectors, but only succeeded in retarding their growth, confirming the Dutch Disease perspective of the Resource Curse theory (Akinlo, 2012).

Discovery of oil did not only shift attention from agriculture but frustrated its development by draining its potentials alongside other sectors, giving rise to the need to reverse the trend for over decades now.

ENCUMBRANCES AGAINST ECONOMIC DIVERSIFICATION AND AGRICULTURAL DEVELOPMENT IN NIGERIA: PROFITABILITY DIMENSIONS

Policy and Institutional Factors

Inquiries into the nature and character of institutions that should have enabled Nigeria to sustainably diversify to agriculture, shows the degree of distortion caused to the economy by rent-seeking which weakens the political and social institutions by rendering them ineffective in promoting the economic progress of the country. The institutional framework of policymaking and implementation of economic diversification in Nigeria is characterized by dysfunctional tendencies that can hardly transform agriculture.

Historically, many policies and programs have been formulated and introduced for the purpose of diversifying the oil-dependent economy to agriculture. These policies and programs are better described as failure such that they could not transform the sector that comprise largely of small-scale farmers. Ofana, Efefiom and Omini (2016) identified some of these policies and programs to include, National Accelerated Food Production Program(NAFPP), Green Revolution Program (GRP), Operation Feed the Nation (OFN), River Basin Development Authorities (RBDA), Agriculture Development Projects (ADP), National Seed Service (NSS), just to mention a few. Under these policies and programs, many institutions were created such as Farm Settlement Scheme (FSS), National Centre for Agricultural Mechanization (NCAM), Agricultural Credit Guarantee Scheme Fund (ACGSF), National Agricultural Land Development Authority (NALDA), Nigerian Agricultural Insurance Company (NAIC), Agricultural and Rural Management Training Institute (ARMTI), Rural Banking Scheme, Agricultural Credit Guarantee Scheme Fund (ACGSF), Directorate of Foods, Roads and Rural Infrastructure (DFFRI), Specialized Universities for Agriculture, Root and Tuber Expansion Program (RTEP) among others.

Most of these programs are said to have been well conceived but with little or unsustainable impacts. Eke and Effiong (2016) attributed this to inappropriate economic policies (of pricing, trade and exchange rate), the relative neglect of the sector, the negative impact of oil boom era, a land tenure system that does not encourage long-term investment in technology or modern production methods and a severe shortage of rural credit. It should be expected that the impact of these programs if truly initiated to serve their purposes would have developed the peasant agricultural system by impacting significantly to the national economy. They would have engendered easy access to inputs - fertilizer, improved seedlings, herbicide; new technology; credit facilities/capital; irrigation facilities; markets; extension services etcetera that still linger as the major challenges faced by farmers.

According to World Bank (2008), for any developing country which prioritizes agriculture to take advantage of opportunities in the sector as a means of economic growth, there must be a production revolution in smallholder farming. Appraisal of various institutions established to address these issues under various economic reforms initiated since 1986 in Nigeria shows they are weak to achieve their intents. The numerous policies initiated through these institutions have not yielded the desired outcome but rather served the interests of the policy-makers and the influential few (Mohammed, Shettima & Sulumbe, 2015).

The ineffectiveness of agricultural reform policies in transforming and bettering the lots of majority of Nigerians fits into the Velfredo Pareto’s elite theory and Marxists view. Arguably to say, increase profitability in agricultural production is unpopular among the political class who continue to have access to the country’s oil wealth. This reduced struggle for economic diversification to the dialectics of class inspired policy where the will of the dominant class prevails without significantly impacting the common man. Tijjani, Gulesh and Zuwaira (2016) found positive correlation between increased oil revenue and corruption among public office holders in Nigeria, capable of holding back the progress of the society. Titus and Hansi (2013: 99) observe:

> With mineral wealth accumulating into a few hands, corrupt government officials use it as a weapon to consolidate their power, repress civil society and ultimately lead more toward an authoritarian government where accountability and transparency over mineral resource revenues disappears. With this downward spiral of sound governance, the societies of resource rich nations suffer by stagnant or negative economic growth, and consequently, a lack of infrastructural investment in other industries and public goods such as roads, schools and hospital.

By extension, Egware (1997) logically presents this situation when he contends that reasons for the failure of agricultural development programs in Nigeria are program inconsistency, poor implementation, corruption by government officials and public servants, poor target mechanisms and failure of focus.

Successful programs that are conceived without much intend to diversion or misappropriation of public funds were more concerned with agricultural productivity than increased profitability to farmers. Increased productivity pushes prices of agricultural goods downwards by triggering forces of supply and demand, creating exploitative tendency on the peasant activity that negative influence profitability. In an ideal capitalist driven economy, production and profitability are two sides of the same coin that are inseparable. Prosecuting increased productivity alone without the other makes agriculture a class problem within the neoclassical economy like Nigeria. Since agriculture is characterized by high number of small-farm holdings and low yields due to lack of government support, participating without gains becomes quite discouraging. World Bank (2008: 8-9) puts this situation as follows:

> Household assets are major determinants of the ability to participate in agricultural markets, secure livelihoods in subsistence farming, compete as entrepreneurs in the rural nonfarm economy, and find employment in skilled occupations. Three core assets are land, water, and human capital. Yet the assets of the rural poor are often squeezed by population growth, environmental degradation, expropriation by dominant interests, and social biases in policies and in the allocation of public goods.

Infrastructural Issues

Majority of Nigerians are rural dwellers who depend on agriculture as occupation and means of survival. Dearth of rural infrastructure due to urban bias constitutes a major problem of agriculture. Infrastructure refers to as physical structures, such as roads and railway system, educational and health facilities, social services like potable water, electricity and communication system (Oni, 2013). Agricultural performance in Nigeria is greatly impaired by the low level of development of infrastructure. In the rural areas where majority of the smallholders operate, inadequate infrastructure constitutes a major constraint to agricultural investment, production and trade.

In many parts of Nigeria, physical and marketing infrastructure is poorly developed, storage facilities are rudimentary and access to information and markets is highly restricted. Infrastructure inadequacy is mirrored by restricted access to the markets, which limit the availability of agricultural products in many areas, and reduces farmers' income. This infrastructure gap has persisted due to government neglect, poor governance, poor political leadership, poor maintenance culture and poor funding. With regards to road, the efforts of the Agricultural Development Programs; the Directorate of Foods, Roads and Rural Infrastructure; the National Agricultural Land Development Authority; and the Petroleum Trust Fund have not been sustained to ensure provision of good road networks to rural areas where bulk of agricultural activities take place. In addition, the railway system that is expected to provide relief has been in comatose for years, restricting the movement of agricultural inputs and outputs to the road transport system thereby reducing its lifespan. Rail transport can help build the economy as it offers very cheap transport to the hinterland but is visibility absent (Mgbenka & Mbah, 2016).

Educational and health facilities are not exempted from this urban-biased. Education that empowers farmers with the necessary knowledge that will impact their production is grossly lacking. Health on the other hand that can guarantee strong and healthy agricultural workforce is inaccessible even as the majority of rural dwellers are predisposed to lack of potable water and unsanitary conditions. Many rural communities are without electricity that can provide quality and provide energy for cottage agricultural activities. For the few that are connected to the national grid, electricity supply is often epileptic. Although access to communication and internet facilities has improved as a result of recent expansion of the Global System of Mobile Communication (GSM), good services remain urban-biased and too expensive for the poor peasants.

Aroriode and Ogunbadejo (2014) opined that weak infrastructure leads to high cost of living. With particular reference to the transportation sector, absence of infrastructure heightens costs of movement because price transmission may be insignificant or even nonexistence in rural areas. Many poor farmers are unable to exploit their agricultural potentials because of feeble rural infrastructure and poorly functioning private markets for commodities, inputs and services. According to Mohammed and Onwurah (2016), access to market triggers production while bad roads negatively attracts middle men to come to the farms to buy goods thereby reducing the farmers' profits. Wide expanses of endowed agricultural areas in Nigeria have roads that are inaccessible because of deplorable conditions during the rainy season. This results in difficulty to evacuate agricultural produce as well as extend agricultural services and other inputs to rural farmers who are invariably excluded from mainstream domestic market system (Nwosu, 1986). Marketing comprises all business activities involved in the movement of commodities from production to consumption. Increase cost of transportation is a major problem facing marketing of agricultural produces in Nigeria (Mgbenka & Mbah, 2016).

Generally, agricultural development in Nigeria to be engendered by diversification faces the challenge of poor economic and social infrastructure. Bad road network, erratic power supply, scarce potable water, poor healthcare facilities, poor transportation and communication network, scarcity of investible fund, poor and unstable educational system are among the main constraints to economic development and diversification of the economy (Anyaehie & Areji, 2015).

Macroeconomic Concerns

Policies targeted at foreign and international trade are major determinants to sustaining a diversified national economy. The import and export relations are reflections of extent of economic activities and production. Over the years, Nigeria’s reliance on foods imports, low-tech consumer and industrial goods have resulted in negative balance of payment (Agri, Mailafia & Umejiaku, 2017). Massive importation of food is a drain on Nigeria’s foreign reserve and balance of payment. This is in line with the findings that Nigeria’s foods imports costs as much as refined petroleum products (IFAD, 2009: IFPRI, 2008). Nigeria’s dependence on food imports since the 1970s has made the country more vulnerable to global price shocks and tightening credit on the global financial markets.

Dependence on foods imports for goods Nigeria has comparative advantage on has over the years threatened economic diversification and profitability of agriculture production. The country’s emphasis on non-oil export is always an afterthought to falling oil revenues. Exports in diverse products are a catalyst necessary for the overall development of the economy (Abou-Strait, 2005). Nigerian has not fully exploited the opportunities inherent to the Export Promotion Strategies that replaced Import Substitution policies (Adenugba & Dipo, 2013). Export promotion involves encouraging domestic production for exportation usually by providing incentives for the domestic producers. This could be in the form of tax cuts or holidays, subsidies, finding markets for such products, providing special loans, etcetera. It is however important to note that this export promotion strategy rests upon diversification and expansion of non-traditional exports which has not been realized (Dunn & Mutti, 2004). Sustainable increase in income per capita is better achieved under export promotion policy which Nigeria is yet to optimize.

Social and Demographic Factors

The underdeveloped state of agriculture in Nigeria does not reflect global trend of technological advancement that is critical to diversification. The drudgery state of agriculture production is enough discouragement to the country’s growing youth population of 70% (about 217, 079, 601 people) who are exposed to happenings around the world (Eromosele, 2022). The absence of new changes brought about by genetics engineering and mechanization of agriculture, deny the youths the ability to see prospects in modern agriculture which Nigeria is blessed with everything it takes to advance.

The mass exodus of youth from rural to urban areas (rural-urban drift) in Nigeria is largely blame to the unattractiveness of agriculture that has remained monotonous and primitive for years. Rural-urban migration by youths as caused by this circumstance depletes manpower for agricultural production resulting to reallocation of labor not needed in the urban cities. High labor supply to one sector leads to low wages and unemployment responsible for high crime rates. It similarly overstretches urban infrastructure due to population density. Ajani, Mgbenka, and Onah (2015) argues that primitive nature of farm operation, lack of competitive market for agricultural products, lack of start-up capital, inadequate labor saving technologies for ease of operations, inadequate finance/credit facilities and many others all contribute to these problems. They assert further that the situation with agriculture in Nigeria has forced the younger generation out of agriculture leaving the sector to the old people.

Unfortunately, government efforts through youth programs like Youth Employment in Agriculture Program (YEAP) has not yielded the desired result that will transform the sector.

International Dependency

International conspiracy informed by the need to reinforce international division of labor is capable of withholding diversification process of Nigeria's economy. For instance, the liberalization and deregulation policies foisted on developing countries like Nigeria frustrate local industrial growth that will enhance high demand for agricultural goods. Emphasizing export of agricultural goods as raw materials for foreign industrial consumption despite price volatility in the international market, against local manufacturing are constraints to industrial growth that will promote sectoral linkage and advance economic diversification.

It is worth noting, the influence exercise by different countries of the regions of the world has over the years shaped international trade agreements and domestic policies relating to agricultural production. Typical of this is the General Agreement on Trade and Tariff (GATTS). According to (Onimode, 2000), GATT for instance, aimed at liberalizing the economies of less developed nations like Nigeria to enable deeper penetration and extraction of raw materials and resources by the international capitalists. Thus, it is targeted at cheapening agricultural goods produced by the developing countries and opening their economies to inflow of manufactured goods and foreign capital. Generally, all the trade policies in this area including the Uruguay Round and Doha have not helped in transforming agriculture in Nigeria (Abdullateef & Ijaiya, 2010). The overbearing effect of this constitutes external influence whose impact determines the direction of domestic policy.

Liberalization of agricultural production in general has over the years influenced trade policies relating to import and export of agricultural goods. Tracing the internal deficiency within the policy making arena, Mohammed and Onwurah (2016) argue that the implementation of trade liberalization and the removal of subsidies exacerbated the conditions of peasant farmers especially those in sub-Saharan Africa. Many of them have not been able to cope with the business of farming because of poor supply of inputs, poor infrastructure, land tenure system, finance, science and technology, etcetera.

Ukeje (2007) demonstrates major problems militating against agriculture are inadequate farm input supply; low rate of technology adoption, post-harvest loses etcetera which result to high rate of food importation. Furthermore, these problems have led to the abandonment of farming by some farmers that found opportunities in non-farm activities. The consequence of this is increased dependence on the developed world for food (Onwurah, 2016). The prevailing situation becomes more worrisome with the dominance of oil. It is even more complicated as all the economic reforms inspired by the World Bank and IMF were proffered as a means of breaking away from this dependence. Unfortunately, the liberal trade policies introduced under this economic framework, specifically which deals with import and export of agricultural goods in Nigeria, cannot by any means guarantee the profitability of production by local farmers and provided basis for economic diversification.

Insecurity and Unconducive Investment Atmosphere

Neoclassic economic system advocates for non-direct participation of government in the economy. Instead, government should focus on its core mandate of providing security and conducive atmosphere for business by stimulating economic growth. Unfortunately, the scenario in Nigeria contradicts these principles. This undermines the country's quest for sustainable growth predicated on economic diversification.

It is unfortunate that the 2022 global safety perception index on security, ranked Nigeria 75th in the world. Meanwhile the report of the Institute for Economic and Peace (2022), ranked the country 143 in the global peace index. This is in view of the growing threat of insecurity arising from high cases of terrorism, kidnappings, communal and ethnic clashes, political violence, crimes among others (Faminu, 2022). Insecurity in Nigeria became more alarming since the first attempt to diversify the economy precipitated by the Austerity Measure of President Shagari democratic government where Maitasine crisis was recorded between 1980-85 and the introduction of SAP in 1986 under the military government of President Ibrahim Badamasi Babangida that pushed the frontier of religious and ethnic divides (Osaghae, 1995).

The country's return to democracy in 1999 witnessed another round of insecurity with high cases of militancy in the Niger/Delta, ethno-religious and communal conflicts recorded. The Boko Haram insurgency that followed in North-

East by 2009, farmers-herdsmen conflict within the North-Central which spread to other geopolitical regions culminating to banditry and kidnapping in the North-West, displaced a great number of the rural farming population and gravely impact government's efforts at economic diversification as further necessitated by the 2015 economic recession. Failure of government to tackle insecurity as consequence of poor economic development frustrates agricultural activities and significantly affects productivity that would have helped diversify the economy by increasing the contribution of the non-oil sector. This development negatively influenced inflow of investments to the agricultural sector and the gains farmers would have made within the period they were displaced.

The Nigerian farming population is always the worst hit in the event of security crisis. Terrorists and criminal elements always take refuge in the rural areas denying farmers access to farms. Farmers and rural dwellers are the most vulnerable and soft-targets of criminals. Evidence abound on the impact of the Boko Haram insurgency on rural farmers in the North-East, bandits in North-West and North-Central Nigeria. According to Office for the Coordination of Humanitarian Affairs (OCHA) (2022), insecurity in Nigeria and the Lake Chad Basin accounts for 54% food crisis in Africa.

Displacement of farmers by various crises in Nigeria has short, medium and long terms effects on the agricultural sector and the country's efforts at diversification.

CONCLUSION/RECOMMENDATION

Challenges of economic diversification and profitability of agriculture are multifaceted but mostly associated to the Nigeria's political economy. To this effect, diversifying the country's economy with focus on agriculture requires a new drive and approach that will reduce the influence of rentier-state and address the malaise that characterized public institutions. Public-Private Partnership should be deployed in the management of agricultural institutions with much stake giving to private experts that are committed to transforming the sector for corporate benefits. A comprehensive institutional management framework should be developed prioritizing means of empowering the peasant farmers through increase incomes and earnings from agricultural production.

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