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Title: Options for Improving the Competitiveness of Domestic Rice Production in Nigeria

Competitiveness in agricultural commodity markets is influenced by domestic resource endowment, technology-use and the structure of input costs. In Nigeria, previous policies such as “The special rice project” and “rice transformation agenda” among others have not given desired results. Hence, my study explores options for improving competitiveness of production of domestic rice in Nigeria. Data for the study were collected from a random sample of rice farmers from 5 states representing five agro-ecological zones in Nigeria-Sudan, Northern guinea, Southern guinea, Derived savannah and Humid forest zones where rice is predominantly cultivated. The sample farmers vary in their level of mechanization including traditional manual (TMT), improved manual (IMT) and semi-mechanized (SMT) technologies. Input use and output levels of the sampled farmers was analyzed using farm budget and policy analysis matrix (PAM) to explore if farmer productivity varied by the technology used and its implication on competitiveness. Results showed that operating ratio -farm’s operating expense expressed as a percentage of gross revenue- and average production costs per kg paddy are lower for SMT compared to TMT and IMT. All production technology types earned positive private and social profits and the domestic resource cost coefficient were less than unity for all. However, negative divergences between private and social profits in all technology systems suggest that the net effect of policies such as increase in tariffs and intermittent ban on imported rice through the land border may have reduced farm level profitability. Comparative advantage in rice production was relatively sensitive to changes in rice yield. My results suggest that a combined policy thrust targeted at improving rice output per land area alongside reduction of prices of tradable inputs such as fertilizer and seeds may provide the best policy potential for improving the competitiveness of rice produced in Nigeria. This is important since efforts geared towards improving competitiveness of domestic rice production in Nigeria supports domestic rice farmers’ livelihood and poverty situation, majority of whom are poor smallholders.