

9. Nigeria Rice Sector Study: Quality Counts

Nigeria has experienced rapid growth in per-capita rice consumption during the last three decades, from 5 kg in the 1960s to 25 kg in the late 1990s. The successive programs launched to increase rice production have not been able to reduce the resulting rice deficit. The imposition of a ban on rice imports from 1985 to 1995, and the ensuing increase in the relative price against other major staples, boosted rice production mainly through area increase. Yields reached a plateau in the 1990s, and there is now some evidence that they are actually declining. In spite of the relative increase in the price of rice, per-capita consumption has maintained its upward trend, showing that rice has become a structural component of Nigerian diet with low price elasticity. Rice is now an ‘ordinary good.’

Past policies did not help local rice producers secure a significant market share, and imports have increased rapidly since the lifting of the import ban and in spite of successive increases in import tariff from 50% to 100%. Imported rice now represents more than 20% of agricultural imports and half of the total rice consumption. Nigeria has thus become a major rice importer, second only to Indonesia over the last five years (1998–2002). Beyond the large volume involved, the Nigerian rice market is even more attractive than other West African markets, because Nigeria imports high-value (parboiled) rice rather than rice of lower quality typically imported into the other countries of the sub-region.

With funding from USAID, WARDA has worked with the Nigerian Institute for Social and

Economic Research (NISER) to complete a study of the rice sector in Nigeria. One output of the study will be a strategy to revitalize the rice sector, in terms of both increasing local capacity to compete with imported rice (quality and price), and enhancing the market share of locally produced rice. To be viable, this strategy should respond to consumer needs. The rice market is highly competitive, and consumers can choose between local and imported rice, even in rural areas. The strategy should, therefore, give priority to quality enhancement of locally produced rice over simply increasing the quantity available. Indeed, the relatively poor quality of Nigerian rice is the primary constraint to further development of the sector. Increasing numbers of consumers are ready to pay for quality, such that quality comes before price in influencing consumer decisions. There is a limited market for rice of poor quality, with a likely declining market share. Thus, simply increasing the supply of low-quality rice is not an option.

The key components of the strategy are:

1. *Improving quality management along the marketing chain.* This includes the sensitization of stakeholders on quality issues, the improvement of processing technology, and the improvement of the quality and homogeneity of paddy at the farm level.
2. *Increasing marketing efficiency.* This includes the support of local rice retailing and trade expansion by facilitating access to working capital and the reduction of transaction costs

by promoting standardization, and information dissemination on prices, and the price reward for quality to enhance bargaining power for rice farmers and traders.

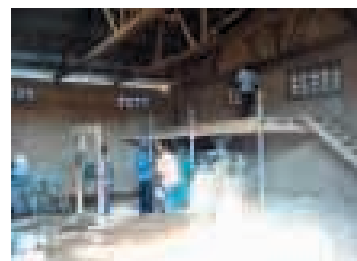
3. *Increasing efficiency at producer level.* This includes increasing productivity of the various rice production systems and technology dissemination and adaptation.

Further reading

Erenstein, O. and F. Lancon, 2003. Report of the Final Technical Workshop, 20–21 August, Ibadan, Nigeria. Project Report. WARDA, Abidjan, Côte d’Ivoire, 24 p.

WARDA, 2003. Strategy for Rice Sector Revitalization in Nigeria. Project Report. WARDA, Abidjan, Côte d’Ivoire, 14 p.

Rice milling in Uganda



Presenting NERICAs to farmers in Kaswan Magani, Kaduna State, Nigeria



Organoleptic test of NERICAs with farmers and officials in Kaswan Magani, Kaduna State, Nigeria