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The Role of Commodity Board in Food Crop Productions and Marketing in Nigeria

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THE ROLE OF COMMODITY BOARDS IN FOOD CROP PRODUCTION AND MARKETING IN NIGERIA

Introduction

Nigeria has had a fairly long history of government intervention in agricultural marketing. But, for most of the time, government interest centred around the so-called export or cash[1] crops such as cocoa, groundnuts, palm produce, cotton, benniseed, soyabeans and rubber. This interest was dictated by three factors: first, the colonial government wanted an efficient system of evacuating the badly needed raw materials to factories overseas; second, the export of these crops was the main source of foreign exchange required to finance imports, and third, the output of these crops was subject to various forms of taxes which became an important source of government revenue.

Between 1947 and 1975, the well-known form of government intervention was through the creation of marketing boards which were semi-autonomous institutions charged with purchasing the export crops from producers.[2] The main objectives of the marketing boards were to stabilize producer prices, maintain and control an efficient organization for the purchase of these crops, improve the quality of the crops and promote the development of the producing areas.[3] The general evidence on the extent to which these objectives were attained indicated that the boards tended to concentrate on that aspect of their functions which enjoins them to promote the development of the producing areas. This was generally done by deliberately accumulating surpluses from their operations which were then transferred to the regional (state) governments to finance general development expenditures.[4] While many of the investments undertaken with such funds were quite productive, there was sufficient evidence that the fiscal role which the boards were made to play had adverse affects on agricultural production and the rural sector of the economy.[1]

[1] The concepts "export/cash" no longer exactly convey the meaning attached to them since a large proportion of these crops is now processed locally. But these concepts will be used in this analysis for convenience and to conform with conventional usage.

[2] Initially, a separate marketing board was set up for each major export crop, but with the constitutional changes introduced in 1954, each region c eated its own cross-commodity marketing board, while a central sales organization was charged with the overseas sales of produce.

[3] F.A.O., *Agricultural Development in Nigeria*, 1965–80, Rome, 1966, pp. 349–350.

[4] See, for example, Central Bank of Nigeria, "A Review of the Operations of the Western Nigeria Marketing Board, 1963/64–1968/69", C.B.N. *Economic and Financial Review*, Vol. 9, No. 2, December, 1971.

[1] Dupe Olatunbosun and S. O. Olayide, "Effects of Marketing Boards on Income and Output of Primary Producers", in Dupe Olatunbosun and H. M. A. Onitiri (eds.), The *Marketing Board System:* Proceedings of an International Conference, Ibadan, 1974.

Consequently, the main thrust of the reforms introduced into the system in 1973 was to ensure that the operations of the boards, and especially their pricing policies, would not have such harmful effects on farm activity. This was done partly by making the Federal Government the motivator of pricing policy and partly by paying financial compensation to state governments from federal funds for "losses" arising from the reforms.

Throughout this period when these changes were taking place in respect of the marketing boards, government paid little attention to the market organization for the staple food crops. In fact, this was only an aspect of the general lack of interest in evolving a food policy in various Development Plans between 1945 and 1975. This situation may be explained by the fact that no serious food problem had emerged (at least up to 1966) to compel government to play a more active role in the development of these crops. Above all, various studies undertaken on the specific subject of food marketing and distribution generally indicated that, although the marketing system for the staple food crops exhibited many forms of inefficiency, it was fairly efficient and competitive under the conditions it operated.[2]

However, as the food supply problem worsened after the civil war, government took greater interest in promoting increased production and improved distribution of foodstuffs. In the area of marketing and distribution, one of its earliest actions was the formulation of a policy to encourage the formation of food marketing cooperatives.[3] The rationale of policy is that the scale advantage of cooperative marketing, as opposed to individual efforts would enhance production. Such advantages include the relatively greater ability to obtain credit facilities and reduction in marketing costs. In 1976, government intervention in food marketing and distribution became more direct when it established two commodity boards—the Nigerian Grains Board and the Nigerian Root and Tuber Crops Board—to perform a wide range of marketing functions. The Grains Board is to deal in sorghum, millet, maize, wheat, rice and beans (cowpea), while the Root and Tuber Crops Board is to deal in yams and cassava. But early in 1979, the Root and Tuber Board was dissolved and some of its functions transferred to the National Root Crops Production Company (See Part II). This was done partly to avoid duplication of effort and partly because of initial operational problems which

[2] See References 10, 16, 24 and 26.

[3] Prior to this period, cooperative agricultural marketing in the country had a bias for the export crops, while staple food crops were virtually ignored. See, for example, chapters on agricultural development programmes in the Plans from 1962. (References 17, 18 & 19).

faced the Board. Under the same law setting up these two boards, the previous state cross-commodity marketing boards were dissolved and replaced by nation-wide commodity boards for cocoa (including coffee and tea), groundnuts (including soyabeans, benniseed, sheanuts and ginger), cotton (including kenaf and tobacco), palm produce (including copra) and rubber.[1] In essence, this merely restored the system that existed before 1954 with only slight modifications such as grouping similar products together.

[1] Nigeria: Federal Ministry of Information, Lagos, *Supplement to Official Gazette* No. 18, Vol. 64, April 21, 1977. Part A, pp. 151–164.

Thus, the boards for the export as well as those for staple food crops were required, under the law, to perform the same broad functions. This paper presents a discussion of government intervention in food production and marketing in Nigeria with particular reference to the use of commodity boards. The rest of the paper is organized into three parts. Part I discusses the role of commodity boards in food production and distribution, with emphasis on the marketing problems which the new boards are expected to remove. Part II analyses the effectiveness of the boards in removing these problems and performing other related functions. The concluding part contains a discussion of some of the major findings and policy implications of the analysis.

Part I

PROBLEMS OF MARKETING STAPLE FOOD CROPS AND FUNCTIONS OF THE COMMODITY BOARDS

The Structure of the Private Marketing system

Generally, there are three groups of participants in the marketing channel for staple food crops: the farmers, the middlemen/traders and the consumers. At one end of the marketing channel are the farmers. The nature and structure of production, as well as the manner of transfer of ownership of output bear some relationship to the whole structure of the food marketing system. The bulk of production is undertaken by peasant farmers who engage largely in subsistent production with primitive technology. Under the land tenure system, farm plots may be scattered over a wide area. The marketing channel for food crops features the usual pattern of middlemen, wholesalers and retailers. However, there are several types of or layers of wholesalers and retailers, which makes the marketing channel longer than what is consistent with efficient marketing. Apart from wholesalers and retailers, the farm-gate middlemen, the commissioned and non-commissioned agents, farmers' marketing cooperatives and contract traders have also been identified as important participants in the channel.[1] The proliferation of intermediate agents arises largely because of the small-scale nature of output which thus requires a large number of persons to assemble food for ultimate marketing in central markets. In the central markets, supplies are broken into smaller quantities to meet the requirements of consumers. At the other end of the marketing channel are the consumers, most of whom are low-income earners and demand food products largely in small quantities at a time.

Market Performance and Problems

There are several ways of evaluating the performance of a marketing system, but the most commonly-used criteria are:

(*a*) the size of profit margins. Artificially high prices lead to excess profits which in turn result in the reduction of consumer welfare;

(*b*) pricing and operational efficiency which, respectively, relate to the economic power structure in the system and the cost of providing or marketing goods and services; and

(*c*) wastage in the marketing process.[2]

Using these criteria as a framework for evaluating the performance of the private food marketing system in Nigeria up to 1976, it is easy to isolate several areas of inefficiency,[3] but, as indicated earlier, some authors have shown that the system has performed relatively well given the constraints under which it functioned. With respect to the size of profit margins, the fragmentary data are not up-to-date and hardly reliable. But, while reviewing studies by A. R. Thodey and Q. B. O. Anthonio, Olayemi and Jones concluded that, while the available evidence is not sufficient, middlemen do not seem to earn excessive profits as often alleged.[1]

On pricing efficiency, there are certain observable factors that tend to reduce the competitiveness of the market structure. These include inter-personal relationships that often exist between sellers and buyers, the formation of powerful trade associations by sellers of the same commodity, the emergence of contract traders who supply food to large institutions, the result of which has been a gradual change in the structure of food demand

[1] See Q. B. O. Anthonio, "Distributors in Foodstuffs' Markets in Nigeria", in *African Urban Notes*, Vol. 5, No. 2, 1970.

[2] See R. L. Kohls and W. D. Downey, *Marketing of Agricultural Products*, New York, 1972, Chapter 1.

[3] These problems have been identified in several studies. (References 1, 16, 24, 26).

[1] J.K. Olayemi, *Food Marketing and Distribution in Nigeria: Problems and Prospects*, NISER, Ibadan, 1974.

and barriers to entry created by the size of initial capital requirement and the scarcity of market stalls. One other factor that may inhibit pricing efficiency is the lack of market information service. A good knowledge of developments by all participants regulates their actions at the various stages of the marketing channel and improves the functioning of the system. Currently, no institution has an accurate knowledge of such vital information such as trends in national and regional production, market supply and demand, stocks, price movements, marketing and production costs. One consequence of these factors is that food prices often exhibit wide fluctuations both spatially and inter-temporally.[1]

There also exist a number of factors which reduce operational efficiency and cause excessive wastage of food in the marketing process. First is the acute shortage of some basic marketing facilities such as storage facilities both at the producing point and the central markets. This deficiency causes excessive fluctuations in food prices and wastage of output. For instance, it has been estimated that the proportion of output of major staple food crops lost through lack of storage facilities ranges on the average between 9 and 25 per cent.[3] The second is the inadequate trnsportation network, especially in the rural areas which remain largely inaccessible because of the absence of feeder roads. Anthonio has also expressed doubt as to the ability of the transportation network to adjust supply and demand overtime and space due to its riskiness, unreliability and substantial losses often sustained in transit.[1]

Functions and Operations of the Commodity Boards

The Decree[2] (Commodity Boards Decree, 1977) setting up the commodity boards stipulated the following five broad functions for the boards:

(a) They are to make adequate arrangements for the purchase of the relevant commodity and make sales to both the domestic and external markets. To facilitate this, the boards were required to establish buying centres and construct warehouses in all major producing areas, as well as arrange for the transportation of products to storage depots for sale to consumers.

(b) The boards are required to purchase all scheduled commodities which are offered for sale to them provided they conform with stipulated grades and standards of quality. They are to make purchases from producers through appointed licensed buying agents or farmers' cooperative societies.

(c) They are to promote the "development and rehabilitation" of the producing areas generally. Some of their required roles in this regard include: ensuring an adequate supply of fertilizers, improved seeds and other inputs, as well as conducting research into the production, handling, marketing and pest control for the relevant commodities.

(d) They are to support and stabilize the price of the relevant commodity. The Head of the Federal Government (i.e. the President) is designated the Price Fixing Authority whose primary role is to fix the producer price of each commodity and to give general guidelines concerning the sale price of each commodity. A Technical Committee on Producer Prices, consisting of the Permanent Secretary, Federal Ministry of Finance, as Chairman, and representatives of some economic ministries and departments, the Central Bank of Nigeria, and the Commodity Boards was set up to advise the Price Fixing Authority.

(e) Finally, they are empowered to engage in industrial processing of the commodities under their control.

In brief, these functions were designed to achieve two broad objectives: to provide some economic incentives to producers and improve marketing efficiency, both of which will ultimately induce increased food production and consequently ensure that consumers obtain foodstuffs at reasonable prices.

The law establishing the boards specifies three main sources from which their activities may be financed: loans and advances from the Central Bank of Nigeria, surplus funds generated from their operations and subventions from the Federal Government. Loans and advances from the Central Bank are to be guaranteed by the Federal Government and are used to finance the boards' operational expenses which include the cost of procuring produce from farmers, allowances payable to licensed buying agents, charges for storage, transportation, insurance and handling, and cost of equipments. Loans are repaid as soon as the Central Bank is credited with proceeds from sales as required under the law. Internal funds generated through surpluses from sales, earnings from investments and borrowing from other sources are used to finance administrative expenses under which are included staff emoluments, subsidies granted to farmers for the supply of inputs and to conduct research. Finally, loans and grants are given by the Federal Government to finance the boards' capital expenditures such as those incurred in the provision of infrastructures (office and residential accommodation and storage facilities) and processing plants.

With respect to human resources, the boards were allocated a few of the staff of the existing marketing boards. Besides this, the boards would have to resort to the open labour market to recruit staff to run their operations.

[2] Q. B. O. Anthonio, "Problems of Marketing Agricultural Products with Special Reference to Foodstuffs in Nigeria" in I. M. Ofori, *Factors of Agricultural Growth in West Africa*, Legon, 1971, pp. 251–261.

[3] National Agricultural Development Committee, *Report of the National Committee on Food Marketing Problems*, Federal Department of Agriculture, Lagos, 1972, p. 4.

[1] Q. B. O. Anthonio, Op. cit.

[2] Federal Ministry of Information, Lagos; op. cit.

PART II

AN ECONOMIC ANALYSIS OF THE EFFECTIVENESS OF THE COMMODITY BOARD SYSTEM IN FOOD PRODUCTION AND MARKETING

In spite of the major findings of the several studies which have not generally favoured the creation of government-controlled marketing boards for staple food crops,[1] its conceptual framework may not be completely antithetical to increased food production and the achievement of a more efficient marketing system. As presently conceived, the creation of commodity boards has considerable potential for achieving the desired objectives. There are, however, many potential constraints that can hamper their operations.

Advantages of the Commodity Board System

The main advantages of the system are realizable from the provisions made to alleviate the problems of the private marketing system:

(a) The new system may reduce unnecessary exploitation of producers. This is possible because the commodity boards' decree stipulates that the boards shall operate alongside the existing marketing channels in all aspects except in the export trade over which they have a monopoly. At the same time, producers are not compelled to sell their produce to them. The attainment of this goal is however dependent on the ability of the boards to acquire an efficient administrative structure and adequate resources for their operations to make an impact on the system.

(b) In principle, the operations of the boards would lead to increased supply of infrastructural facilities. This may lead to an improved distribution network which can induce greater supply through reduced loss of output and new cultivation. Again, the realization of this objective will be largely determined by the availability of skilled manpower and capital to execute and manage the relevant investment projects.

(c) The system may also lead to greater price stability[1] and through the adoption of an effective pricing policy can enhance food production. The provision of infrastructural and storage facilities should lead to lesser spatial and seasonal price fluctuations, and coupled with certainty in price offered to producers under the pricing policy, should go far in encouraging more output. To attain this objective, the boards' operations must make a sufficient impact on the system.

(d) The system can encourage the creation of an effective market information service. This is possible because under the price-fixing arrangements, the Technical Committee on Producer Prices is expected to advise the Price Fixing Authority on producer prices to be fixed for each commodity. Before this can be done, the Committee must assemble the necessary information such as marketing expenses, production costs, prices, trends in production and position of supply and demand. This will be done only if the boards can set up the necessary administrative structure that can generate independently some of this information and effectively utilize the existing sources.

Major Constraints on the Operations of the Boards

The necessary conditions for maximizing the advantages derivable from the commodity board system are traceable directly or indirectly to two factors: availability of the executive capacity and adequate financial resources. A further assessment of the functions and operations of the boards as specified by the Decree and other relevant government policies suggest that these two factors can pose serious problems for their operations.

(a) The financial provisions made for the boards have an element of uncertainty built into them and therefore are likely to constrain a systematic implementation of their plans. Providing for their operational expenses is not likely to be a problem since finance should flow from the Central Bank as long as purchases are being made. To finance administrative expenses, and give assistance to farmers in the form of some farm inputs, the boards are expected to generate surpluses from their own operations. The prospects for doing this are rather uncertain because they have little control over their costs, at least in the short-run. The producer price is determined through a process of consultation and once fixed cannot be changed by the boards. Also, owing to rising prices in the economy, marketing costs cannot also be controlled and experience in other less developed countries suggests that costs of government marketing agencies are inherently higher than normal because of large emoluments, less careful handling, over-capitalization and under-utilization of capacity.[1] There is also some uncertainty about subventions from the Federal

[1] See References 10, 16, 26.

[1] Price stability in this case obtains mainly from the point of view of producers. For consumers, there could be an upper limit to market price only through the boards' sales.

[1] See Reference 13.

Government due in large part to the need to meet the minimum requests of many agencies.[2]

(b) This last point on competition for scarce government resources seems to have a wider scope when considered in the context of the boards' areas of activity. The areas of activity of the boards are also in the domain of other government agencies or the private sector. Four of these are worth mentioning. First, in the area of provision of infrastructural facilities, a careful review of Federal and State agricultural development programmes suggests that many projects have been designed to ameliorate the scarcity of these facilities.[1] Second, the supply of fertilizers, improved seeds and other inputs have similarly been made an important aspect of such development programmes. In fact, the role which fertilizers can play in agricultural production is reflected in the setting up of an agency of the Federal Government to procure and distribute them via a channel embracing state governments, extension and transport agents and the farmers.[2] Third, food processing is a productive activity in which private industry and some government schemes have over the years achieved some measure of success. This is particularly so in the case of export crops (cocoa, groundnuts, palm oil). In respect of staple food crops, private industry has recently begun to make commendable progress. Fourth, agricultural research has always been an important function of several government agencies and at this juncture in time, the main problem seems to be how to organize effective coordination and application of research results. Finally, all these functions (except research and input supply) are also expected to be performed by two limited liability companies set up and wholly owned by the Federal Government. These are the National Grains Production Company (Kaduna) and the National Root Crops Production Company (Enugu) which are to produce, purchase, process, store and market grains/legumes and root/tuber crops.[3] Overall, the competition for scarce resources may put the boards at a disadvantage in that they are completely new organizations in the governmental system.

(c) The manpower constraints which are likely to face the boards can be roughly assessed against the background of general shortage of executive capacity in the country's post-independence planning experience.[1] This bottleneck appears to have hampered the agricultural sector more than other sectors probably because of the long apathy of government towards the development of the sector until recently. The result is that most agricultural institutions in the country lack the necessary skilled manpower to plan, implement and evaluate even well-conceived projects.

(d) Although the commodity boards are expected to implement a pricing policy that has been designed by government, the type of pricing policy they are called upon to execute can affect their effectiveness. Under the pricing policy, guaranteed minimum prices are fixed for the various staple food crops, implying that the producer may sell his produce to the boards when the current market price falls below the guaranteed minimum price for the crop affected and he is also free to dispose of his crop in the open market at prices that are higher than the guaranteed minimum prices. The rationale of a guaranteed minimum price is to insure producers against low prices, but at the same time to enable them take advantage of periods of high prices. Another attractive feature of a guaranteed minimum price policy is that it involves the smallest interference with the price mechanism of the market compared with other types of guaranteed prices such as the price range or fixed price.

These apparent benefits of a guaranteed minimum price policy have to be considered against the background of a particular agricultural economy. In the context of Nigerian conditions, the adoption of this pricing policy implies some assumptions:

(i) that shortages in food supply are temporary;
(ii) that producers benefit from prevailing high prices of food; and
(iii) that what producers require is a reduction in risk of loss.

However, these implied assumptions are not generally valid. In the first place, food shortages remained a major economic problem throughout the 1970s. There is no evidence to suggest that the major factors in this situation were about to be reversed at the time of instituting the pricing policy. The growth in food demand had not abated and the supply situation had not appreciably responded to policy measures. For instance, between 1970 and 1975, food supply in the country grew at an annual rate of one per cent, while food demand increased at an annual rate of about 4 per cent.[1]

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[2] During the 1975–80 Plan, about ₦17·5 million was earmarked for the seven boards by the Federal Government. But at the end of the Plan period only about ₦5·6 million was actually given to them.

[1] See References 17, 18 and 19.

[2] The Federal Ministry of Agriculture has a Fertilizer Procurement and Distribution Division which procures the fertilizers through importation or local sources after taking into account requests by state governments, existing facilities in the country and general economic policy of the government.

[3] Even the strategy adopted by setting up these companies is not in itself free of controversy. See, for instance (22).

[1] See References 17, 18, 19 & 20.

[1] See M. O. Ojo, "Trends in Food Supply and Demand in Nigeria, 1960–80" (unpublished Central Bank of Nigeria mimeo).

In the second place, there is no concrete evidence to show that the average food producer has deliberately set out or has been induced to benefit from prevailing high food prices. Admittedly, the large scale farmers located near urban centres and on good highways have taken advantage of current high prices to expand their operations. But the average farmer continues to engage in subsistent production and the traditional practice by which small surpluses of food are carried on heads to local markets for sale persists.[2] The dominance of the middlemen is still apparent in the distribution system. In the third place, Nigerian agriculture remains backward in many respects, the major bottleneck being the limited technological capability of the economy. Under this situation, agricultural production is grossly handicapped. This situation is not as in developed countries where the production capability exists, but where this production may not be forthcoming because of the great risk of loss involved.

[2] This however relates to the issue of price responsiveness of producers to price changes. More serious empirical studies (see studies cited by Griffin and Enos (7) generally confirm the observation made here. For majority of farmers, the constraints seem to be inadequate incentives arising from tenurial arrangements, poor infrastructural facilities and inability to obtain inputs—fertilizers, insecticides and credit.

Part III

CONCLUDING OBSERVATIONS

The establishment of commodity boards for staple food crops in 1976 by the Federal Government represented an important dimension in that, up till that time, such government intervention in agricultural products marketing was confined to the export-oriented crops. The primary objectives of the food crop boards are to promote increased food production through a package of economic incentives including a guaranteed minimum price and subsidies on input supply, and improvement in marketing efficiency by providing more marketing and infrastructural facilities. From a purely theoretical context, the objectives of creating the boards could be attained through the approach adopted. But the ability of the Boards to perform their functions effectively may be constrained by several factors such as the non-availability of the executive capacity and inadequate financial resources given the financial provisions made for their operations. These are, however, not insurmountable problems.

On the whole, the creation of the food crop boards is one of several institutional reforms in recent agricultural policy that have been undertaken to achieve some desirable objectives. But it seems there were several other approaches that could attain the same objectives. One priority in food marketing reform seems to be the removal of the basic constraints enumerated in the paper—inadequate infrastructure, poor transport, storage and processing facilities. These constraints have attracted the attention of the Federal, State and Local Governments in their various development programmes. Given the urgency which the Federal Government attaches to their removal, it can render more resistance to state and local governments or execute some projects in cooperation with state and local governments. The problems of inadequate supply of farm inputs, the control of pests and diseases and research can be similarly handled. The lack of market information has to be tackled within a framework for the reform of the agricultural statistical system of the country. Presently, a lot of information is compiled by the Federal Office of Statistics and States' statistical units. Perhaps an approach may be for the Federal Ministry of Agriculture to have its own Statistical Division as is done all over the world and such a Division can then effectively coordinate what is available and plan for improvement.

One desirable objective which the creation of the boards might have sought to achieve was to engender competition in the existing market structure. The establishment of marketing cooperatives to attain the same goal seems to have a wide appeal because of the obvious advantages: increased bargaining power for producers, and inducement of less collusive market behaviour on the part of private traders. The evidence on the general performance of marketing cooperatives in less developed countries does suggest that they have not performed much better than government agencies and where they cannot be compared with similar government agencies, they have proved to be unsuccessful, particularly in the area of food crops.[1]

But this situation has been attributed to the lack of adequate supervision by government and skilled management. In spite of this, the marketing cooperative seems to be generally preferred in the attainment of the goal stated above. In this connection, both the state and Federal Governments have initiated, since the early 1970s, programmes to revamp the cooperative movement. At the national level, this has been reflected in the creation of a Department of Agricultural Cooperatives and in the States existing cooperatives have been revitalised and new ones encouraged to be set up. The underlying strategy of these programmes is to make cooperative marketing a component of an integrated approach to agricultural production so as to complement other programmes of input supply, credit and price stabilization.

[1] See References 13 and 19.

One obvious conclusion from the review of the guaranteed minimum price policy is that it could be of limited application under our present conditions. In fact, one signal to the fact that an alternative pricing policy is required is the impact produced by the discriminatory price policy adopted in respect of the Strategic Grain Storage Programme. Under it, the Grains Board has been commissioned to purchase grains for storage (and later disposal) at prices much higher than the guaranteed minimum prices and the response from farmers was quite impressive.[2] This, notwithstanding, one basic argument of the analysis still holds, that is, that the under-developed nature of the agricultural sector is likely to place a limitation on the success of any pricing policy. The strategy should be to remove the basic constraints outlined earlier and to emphasize policy measures that are capable of reducing production costs and crop losses. But if there is need for a pricing policy, an agency is needed to implement it. However, it was not necessary to create two boards for this purpose initially. In future, the implementing agency can be the one in charge of the Strategic Grain Storage Programme.

A note of caution is called for in interpreting some of our observations in this paper. Because of bureaucratic procedures and initial problems, the boards did not take off early enough. which has made it difficult to effectively evaluate their operations. This analysis can thus only be regarded as a preliminary attempt to evaluate the role of commodity boards in food production and marketing in Nigeria.

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2 Under the storage scheme, the prices of sorghum and rice (paddy) were fixed at ₦290 and ₦350 per tonne, respectively in 1978/79 and about 43 thousand tonnes of these crops were sold to the Board by farmers. For the same season, the guaranteed minimum prices of sorghum and rice were fixed at ₦110 and ₦240 per tonne and only 3 thousand tonnes of produce were sold to the Board.

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