
AN ASSESSMENT OF SHONGA FARMS HOLDING NIGERIA LTD

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ABSTRACT

Agriculture which used to be the mainstay of the Nigerian economy before the oil boom has resurfaced in recent times as one of the key sectors with huge potentials. Nigeria boasts of arable land, good climate, regular rainfall and abundant human resources capable of revolutionizing food and animal production on the African continent. This paper is premised upon the gigantic Shonga Farms established in order to promote public-private partnership with a view to boosting the growth of agricultural sector in Kwara state. The key players in Shonga Farms were interviewed in order to extract credible facts and figures. The paper made recommendations that will enhance the growth and development of Shonga Farms as a success story in Nigeria's agric sector.

Keywords

Shonga, Kwara state, Saraki, White Zimbabwean farmers

INTRODUCTION

Kwara state was created by the military government of General Yakubu Gowon in 1967. Kwara state whose capital is Ilorin is bounded in the north by Niger state, in the south by Oyo, Osun and Ekiti states, in the east by Kogi state, and in the west by Benin Republic [1]. Kwara state is located in the northwestern part of Nigeria occupying 36,825 square kilometres with a total population of over 2 million [2]. Other prominent towns in Kwara state include Offa, Omu Aran, Jebba , Lafiagi among several others. This research is based on Shonga Farms, the public-private initiative established for the purpose of boosting the agricultural sector of Kwara state.

Shonga Farms Holding Limited

The land redistribution policy of Zimbabwean ex president, Robert Mugabe in the early 21st century led to the displacement of highly successful white farmers that had previously contributed to the development of agricultural sector in Zimbabwe. The event in Zimbabwe which sparked international reactions coincided with the quest for revolutionizing agriculture in Kwara, a North Central state in Nigeria. As a way of tapping into the great opportunities in agriculture, the Executive Governor of Kwara state between 2003 and 2011 (now Senate President of Nigeria), Dr. Bukola Saraki with the assistance of the Nigerian government and the British convinced the displaced white farmers in Zimbabwe to send a delegation to Kwara state in order to secure public-private partnership agreement [3]. Eventually, a Memorandum of Understanding (MOU) was signed between the white Zimbabwean farmers and the Kwara state government. According to Ariyo and Mortimore [4], the Kwara state government agreed to do the following:

- a) Provision of an arable and suitable land close to the river Niger, to facilitate long-term farming through irrigation practices.
- b) Provision of infra-structural facilities such as accessible roads, and electric power.
- c) Provision of adequate funds.
- d) Liasing with federal authorities to secure exemptions from import duties on agricultural equipment, and from payment of taxes on turn over.

Ariyo and Mortimore [5] highlighted the commitment of the white Zimbabwean farmers to the MOU. The white Zimbabwean farmers agreed on the following:

- a) Establishment of farm enterprise with a total share capital of US\$80,000.
- b) Contribution of 1% of the total share of gross turnover to the community trust fund.
- c) Training and instruction for students at the farming institutes at Shonga and Malete, at least once a month.

In 2005, 13 white Zimbabwean farmers relocated to Shonga, located in Edu local government area of Kwara state. Under the arrangement, Saraki [6] asserted that a 25 year renewable lease was given to the 13 white

commercial farmers to operate on 13,000 hectares of land (1,000 hectares of land for each farmer).

The Kwara state government encouraged private investors to key into the initiative. In the end, 5 commercial banks (Guaranty Trust Bank, Access Bank, Bank PHB, Keystone Bank and First City Monumental Bank) took 75 percent equity while the state government took the remaining 25 percent [7] [8] [9]. Shonga Farms Holdings Ltd owns 60 percent equity in each of the 13 commercial farms while the white Zimbabwean farmers own 40 percent in each of the 13,000 hectares of farm land [10]. The 5 banks invested \$6.6 million dollars and also provided credit advance of \$6.6 million to the commercial farmers [11]. Additionally, Governor Bukola Saraki's administration ensured that the local farmers and host community were duly compensated by provision of accessible roads, electricity, job opportunities in Shonga Farms, water supply, health insurance scheme and modern skills with the creation of demonstration farms [12].

Shonga Farms Holdings Ltd is built around mixed farming, dairy farming and poultry farming. Presently, Shonga Farms produce cassava, milk, poultry meat, maize, rice, banana, soya beans and ginger. The study area for this research is Shonga, a Nupe dominated area located in Edu local government, Kwara state.

METHODOLOGY

This study adopted the use of primary source of data in gathering valuable data on Shonga Farms. This study was carried out by conducting interviews in Ilorin and Shonga respectively. The interviews were conducted at the Shonga Farms Holdings Ltd in Kwara Hotels Ilorin, Heulton Estates Ltd and Valentine Chickens which are located in Shonga.

Breakdown of Interviews With Mr.Shongobiyi, MD/CEO of Shonga Farms Holdings LTD, Mr. Alan Jack, the CEO of Heulton Estates and Bertus Kirstein the MD of Valentine Chickens

| S/N | Questions | Responses |
|------------|--|--|
| 1 | What are the varieties of crops grown in Shonga? | Maize, Rice, Cassava, Soya Beans, Sorghum, Pineapple and Banana. * Sorghum is not for commercial gains |
| 2 | What are the varieties of animal production? | New Jersey Cattle and Poultry Products |

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|---|---|--|
| 3 | What is the level of crop production? | 25 to 50 tonnes of cassava production per year. 7 tonnes of maize production per year. *Banana and Pineapple are produced in large quantities |
| 4 | What is the level of poultry production? | 5000 to 7000 birds were produced per day at the inception. Currently, 25,000 birds are produced per day and 100,000 eggs per week. |
| 5 | Are all the white farmers still doing business in Shonga? | 4 White Zimbabwean farmers have left Nigeria. 4 farms have been acquired by Godilogo company owned by a Nigerian investor. Country Bird Holdings (CBH) the biggest poultry farmer in South Africa bought Valentine Chickens that previously bought over 4 farms from White Zimbabwean farmers. Healton Farms owned by a White Zimbabwean is still doing business |
| 6 | What is the role of the government in boosting agricultural production in Shonga? | Kwara state government helped in facilitating a 2billion naira loan through Stanbic Bank/Central Bank of Nigeria. At least 16 hours of power supply is provided by the Kanji terminal station. Government grade roads for easy accessibility. Government pays between 10 and 12 million naira on electricity bills. Government repairs electricity and roads. Government provides free medical treatment for the local communities. Government provides employment opportunities for the local people. Government provides tractors and bull dozers at reasonable prices. Government ensures that local farmers benefit from technological transfer. 200 hectares are allocated to local farmers in between 1000 hectares used by the commercial farmers. |
| 7 | What is the employment rate in Shonga Farms? | 2500 skilled and unskilled workers are engaged during low periods. 4000 skilled and unskilled workers are engaged during peak periods. |
| 8 | What are the major challenges affecting Shonga Farms? | Inaccessibility to adequate and cheap funding. Importation of crop and poultry products. Lack of basic infrastructure such as roads, |

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| | | telecommunications and power. Absence of government controlled marketing board where agricultural products can be sold to potential buyers. |
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CONCLUSION

The Shonga farms initiative is a good pointer that public-private partnership can translate into success in Nigeria. Although, there are some prevailing factors affecting the growth of the massive Shonga Farms project, this research will therefore make recommendations that can add value to the sustainability of Shonga farms.

Firstly, the provision of cheap funds or credit facilities will help both the indigenous and foreign investors in the acquisition of up to date equipment, modern storage facilities, employment of more skilled and unskilled labour. The federal government through the Bank of Agriculture, Bank of Industry, Central Bank of Nigeria and other key agencies can reduce the interest rates on agric loans.

Secondly, Shonga is in dire need of basic infrastructure such as good roads and constant electricity. The researchers observed that the roads that connect the commercial farms have not been constructed. Similarly, most of the commercial farmers rely on the use of generators for their daily operations. Kwara state government and the investors can partner in funding the provision of regular electricity supply and construction of good roads.

Thirdly, in order to attain food sufficiency, the Nigerian government should tighten its ban on the importation of food and animal produce into the country. The ban on importation of food and animal produce will boost the productivity and profitability of investors in Shonga Farms Ltd.

Lastly, marketing boards should be set up by the government in order to encourage both local and commercial farmers to boost their outputs. Marketing boards will bridge the gap between farmers and potential buyers.

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