WS1 – Are Local Investor Farmers Making Small-Scale Farmers More Productive and Commercialized? Evidence from Nigeria

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Work Stream 1 Panel Study

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Introduction

• Recent evidence suggests that changing structure of land ownership in sub-Saharan Africa
  o The rapid rise of a medium-scale farming

• In Nigeria, data from farm listing exercise carried out in September, 2017 and key informant interviews show rapid investment by medium-scale investor farmers in the country

• The objectives of this study is to understand how these investor farmers are influencing the behaviour and welfare of the millions of small-scale farm households around them
  o Are they helping smallholders to become more productive and commercialized, or are they making it more difficult for them to do so?
Research questions

• Are new land acquisitions by investor farmers displacing or constraining access to land by smallholders, youth and others in nearby local communities?
• Are these acquisitions pulling in providers of agricultural inputs and services that improve market access conditions for nearby small-scale farmers? Specific examination of:
  o whether tractor rental markets are developing because of investor farmers renting out their tractor
  o whether the surpluses produced by larger investor farmers is pulling in new private investment in crop procurement
  o etc.
• What is the net effect of local investor farmers on the productivity and commercialization of small-scale farm households?
Methodology: Survey

• Main data source is primary data collected from farm households in two states, Kaduna and Ogun
  • Kaduna- LGAs: Chikun, Kachia, Soba
  • Ogun- LGAs: Imekon Afon, Odo Ona Ota, Ijebu

• Fieldwork conducted in three phases:
  • Phase I: Complete listing of all medium- and large- scale farms in all Wards and Communities in each of the identified LGA using a listing protocol- carried out in September-October, 2017
  • Phase II: First household survey: about 800 smallholders and 2500 medium/large farms systematically sampled for interviews
  • Phase: III: Second household survey
Methodology: Data [I]

- Survey instrument captures information on how the medium-scale investors obtained land, and how the land is being used.

- Collect GPS data of all farms:
  - Proximity of small-scale farms to medium-scale investor farmers can be computed and variables constructed for potential influence of investor farms.
  - Run either CRE or FE models to control for unobserved heterogeneity in examining the relationship between smallholder commercialization/productivity indicators and their proximity/influence of nearby investor farms.

- We need to ensure a clear gradient of proximity in our sample, which could influence our sampling design.
Methodology: Data [II]

• We will also follow up with qualitative and key informant surveys to ground truth initial findings from statistical analysis.

• We may also do detailed retrospective surveys of a small group of smallholder farmers who are found to be particularly high on the productivity/commercialization scales
  
  o To find out more about the ‘life histories’ of these farmers and the various factors influencing their current success
Next Steps [I]

• First round of the study
  • First household survey: March-April, 2018.
  • Data cleaning: May, 2018
  • Preliminary data analysis and report: June-August, 2018
  • Possible qualitative fieldwork: September-October, 2018
  • Policy outreach event in Abuja, Nigeria: November, 2018
Next Steps [II]

• Second household survey: March-April, 2020

• Econometric analysis

• Two journal articles:

  1. *The rise of medium-scale farming in Nigeria* - documenting how important medium-scale farming is in Nigeria

  2. *Are Local Investor Farmers Making Small-Scale Farmers More Productive and Commercialized? Evidence from Nigeria*
# The Team

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