

Oil Palm Development in Nigeria and Its Environmental Issues

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ABSTRACT

The performance of Nigeria's oil palm industry from mid-70's when the nation ceased to play active role in the international trade to the present day, has shown a rather slow growth. Activities along the value chain for the commodity are both disconnected and inefficient. Major activities that were promoted in the past are mainly nursery activities, field planting, maintenance, harvesting and processing. These were largely conducted without much concerns for standards, hence the inability of the industry to become competitive. Processing which should indeed drive the industry witnessed some activities in the upstream sector, particularly palm oil processing but the equipment were largely inefficient except in a few large mills operated by big estates. Downstream refining operation is slow in growing, largely due to heavy capital investment which is difficult to come by and the absence of premium crude palm oil. Agro-input dealership involving input distribution particularly for fertilizer and agro-chemicals is poorly developed. So also, is market and trade promotion, which has become virtually comatose particularly for export market.

The key players in production are homesteads, smallholders and estates. About 2.1million ha of unimproved and unorganized semi-wild grove (SWG) grow in homestead with paltry yield of 2mt ffb/ha. The SWG is a significant area of raw material supply that cannot be ignored in a future reform of the industry. The organized smallholders established 350,000ha of improved oil palm with an average yield of 8mt ffb/ha while the estate plantations totaling 150,000ha record an average yield of 10mt ffb/ha. A key challenge will be how to improve the yield of the vast area of oil palm in the SWG around homestead, and how to get more smallholders and estates to efficiently put more land.

Environmental issues with regards to oil palm development in Nigeria are discussed. Many NGOs in Nigeria are pushing that primary, extremely bio diverse forests, home to forest people cannot be replaced by monoculture plantations which expel the forest people, who do not benefit from investment in their local environment, and which also reduces the biodiversity. Deforestation jeopardizes people's livelihoods, threatens species and intensifies global warming. Soil becomes prone to erosion as exemplified in the south eastern Nigeria and loss of animal habitat as in the case of desertification in Northern Nigeria. This calls for social responsibility on the part of investor companies which is what RSPO is pushing for everywhere among the Oil Palm growing nations. The Good news is that Nigeria has been accommodated among the RSPO family and many big players in the industry are working hard to be certified in due time.