

THE POTENTIALS OF THE ALLOMA OIL PALM PROJECT IN IMPROVING THE SOCIO-ECONOMIC FORTUNES OF KOGI STATE

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ABSTRACT

This study is focused on Management and Performance of Public Sector Projects, taking Alloma oil palm project in Kogi State as a case study. This study covers the period from it's inception in 1974 to 2022. Documentary records from files, Questionnaires, oral interviews and telephone interviews and messages were employed, to gather data about the project. The use of multiple data gathering instrument was to ensure reliability and validity of the study. The study found out that Oil Palm is a very important cash crop and should be given priority attention. The project is not well managed, it is operating far below its potentials, The project if properly funded and managed is capable of generating revenue for the state and create employment opportunities, the study recommended improved funding of the project, expansion of the project, overhauling of the management machinery of the project, procurement of more implements, equipments and machinery

Keywords: Potentials , Alloma Oil Palm Project, Socio- Economic, Kogi State

1.0 INTRODUCTION

Agriculture constitutes the main stay of the economy of Nigeria in the 1950s and 1960s. Aluko (1997) noted that, agriculture employed over 70 percent of the country's population starting from pre-colonial period up to late 1960s. It was the main source of foreign exchange for Nigeria. With the discovery of crude oil in commercial quantity in the late 1950s, development emphasis shifted from agricultural production resulting in alienation and neglect of agriculture, the rural areas and the rural people (Anyanwu, 1997).

Despite the displacement of agriculture, successive governments in Nigeria did not fail to pay attention to agriculture; the federal government demonstrated this in the third National development

plan (1975 – 1980) by introducing the integrated rural development policy tailored towards agriculture. (Okoye 1995) and later *Operation Feed the Nation (O.F.N)* during the Obasanjo military administration.

Alhaji Shehu Shagari launched the **“Green Revolution” programme**, many state governments between 1984 when the military struck till late 1990s, launched one agricultural programme or the other. all these were to enhance the development of agriculture.

Crop production was given attention by many state governments. Of all the cash crops oil palm was given a special attention, . the federal government demonstrated its commitment to palm oil rehabilitation by aggressive oil palm development projects. To achieve this, high yielding palm trees were discovered and advertised to our local farmers. This was followed by subsidization of its prizes by various state governments as directed by the federal government.

Palm oil and palm kernels are important items of both domestic and international trade. According to Iniodu (1995) in the early1960s, Nigeria accounted for over 50% of the world palm kernels and over 30% of palm oil exports (Ashaolu, 1983). Oil palm is by far the most important global oil crop, supplying about 40%of all traded vegetable oil. (Murphy, 2021). It is a key dietary component consumed daily by over 3 billion people mostly in Asia and also have a wide range of important non food uses including in cleansing and sanitizing products(Murphy, 2021).The cultivation of oil palm as a crop was originally an informal process, mainly confined to the West- Central African coastal belts between Guinea/Liberia and Northern Angola (Corley and Tinker, 2015) .

The Alloma oil Palm project was established in 1974, It is however disheartening to note that despite the colossal sum of money sunk into Alloma Oil Palm Project, the impact of the project has not been commensurately felt by the people of Igala land and Kogi State. The Alloma Oil Palm project has not contributed meaningfully to the economy of Kogi State. It has equally not made any significant impact on the economy of Ofu Local Government Area where the industry is located. This is very worrisome and has generated many questions but with few answers

The specific objectives of the study are to:

To examine the revenue generation potentials of the project

To examine the employment generation potentials of the project

To ascertain the extent to which the project can improve the socio-economic status of Kogi State

The need to establish oil palm plantation to improve the socio economic plight of the people of Igala land and contribute towards their economy led to the establishment of Alloma oil palm industry by the then Kwara State government in June 1974. It is however worrisome to note that despite the huge

amount of human and material resources sunk into this project so far, it has not realized its goals and objectives. This particularly became a matter of serious concern to the good people of Igala land in particular and Kogi state in general.

The study will provide the data for future research and for policy aimed at improving resource use and productivity in oil palm production in Nigeria.

The above information will be very important in forming policy direction/redirection with regard to the project in question.

2.0 LITERATURE REVIEW

2.1 Oil Palm (*Elaeis guineensis*)

Agriculturists and scholar alike are of the view that oil palm botanically known and called (*Elaeis Guineensis*) is a tropical and subtropical plant which has its origin traced to West Africa (Okolo *et al.* 2019 ;Cosiaux *et al.* 2018)),though its name “*Elaeis*” is a Greek word meaning “*Oil*”.

“*Guineenses*” Refers to the area of its occurrence; there is linguistic proof to show that it originated from West African (Hartley, 1988) specifically pointed out that vernacular names of the plant in West Africa were usually single words; often meaning “oil” and this is noted in the indigenous languages, he further stressed that the plant could not have originated elsewhere because some of the names used by people in other continents like South America suggested corruption of those names. This is true because a look at a few of the names in some areas in Nigeria gives support to the above proof. In Igala area of Kogi State (and which is equally the area of Study), the oil palm is called “Ekpe”. In Rivers State, the Ikwere tribes call it “Banga”. In Niger State, the Nupe call it “Yikunu’ while the Igbos of South East call in “Nkwunkwu”.

Writing on the oil palm distribution, (Hartley, 1988) posited that it was really the result of man’s intervention. he went further to say that in the past, men were mainly wanderers, hunters and gatherers but later on turned to the cultivators who sooner or later abandoned the small camps and clearing they were occupying for other places. Thus, the first stage of domestication of the oil palm took place where such clearings were discarded and a few oil palms developed. Eventually, the oil palm became well distributed throughout the equatorial and tropical regions of the world. In West Africa, it is well distributed throughout the coast. In Nigeria. According to Njoku, (1990), small holders who own wild grooves of less than two hectares produce most of Nigerias oil palm. In South-East Asia, it was grown in

botanical gardens in 1876 but today, the oil palm is a well established plantation crop in that area especially in Sumatra and Malaysia.

According to Williams (1975), trade in palm oil obtained from semi-cultivated and wild palm grooves was carried out between West Africa and Europe before the Development of plantations which date from early part of the century. By 1911, imports of palm oil and kernel from West Africa to Europe were 87, 000 and 233.000 tonnes respectively adding that plantations of oil palm first began in 1910 and 1917 in Sumatra and Malaysia respectively. It later developed in Africa where the plant is indigenous in the late 1920s. It is today widely grown in Nigeria with higher concentration in the Southern States) and spread sparsely to the middle-belt region which disappears gradually in the Guinea Savanna further North. Very large estates are located in Uboma and Ahoda near Owerri in Imo State. The area of growth is known as the oil palm belt of Nigeria thus it covers about 20 million hectares of wild oil palm; in his view about plantation and grove palms. Ebenuwa, (1990) stated that oil palm plantations are advantageous over the palms. According to Njoku, 1998 stressed that Nigeria does not get enough oil from oil palm plantation because most of Nigeria's palm oil is produced by small holders who own wild grooves of less than two hectares. These trees according to him are of unimproved variety that have low yield, limited resistance to disease and take up to ten years to mature. The mature trees may grow up to 30 feet is low yielding per palm and with low total output.

Njoku (1998) for instance noted that oil palm is one of Nigeria's most important food and cash crops. Its major products; palm kernels – the secondary product of oil palm is used for manufacturing and oil-based confectionaries. According to Njoku, palm wine, another product of oil palm is very rich in sucrose and glucose , in a corroborative assertion he stated that palm oil, palm kernel and palm wine are major sources of income to rural farmers and their families in Nigeria. Exploitation and processing of oil palm products constitute important sources of employment of any rural dwellers.

According to Hartley (1988), factor responsible for the decline in palm products production and export include:

1. Neglect and destruction of the nation's oil palm industry during the civil war.
2. Very low yields from natural grooves which are of unimproved variety. Have limited resistance to disease, take up to ten years to mature and which may grow up to 30 feet high which makes them difficult to harvest. It is important to note that it in these natural grooves that the country has depended.
3. Increased internal consumption of oil palm for domestic and industrial uses.
4. Shifting of emphasis from oil palm to petroleum as major foreign exchange earner.

Other factors identified as contributing to the low output according to Olatunbosun (1992). low farm capital, inefficient institutional organization, non use of improved inputs and land availability and tenure problems. The result according to them was that Nigeria which was a net exporter of palm oil became a net importer.

Anyanwu (1997) reported that Nigeria's earnings in oil palm plantation started declining as a result of discovery of crude oil.

According to Okpara (2000) the huge demand for oil in the world market provided enormous foreign exchange which supported the industrial policy of the era. Industries grew to depend in external inputs in the manufacturing process.

The economy was realizing negative growth in real terms and was gradually drifting but the position was completely hidden by the steady in flow from crude oil exports.

It is these situations that led to the radicalization and aggressive reengineering of the rural architecture and landscape which no doubt have suffered a monumental neglect and abandonment in the recent past. This according to (Ebo, 1995) made the federal government to institute various oil palm rehabilitation programmes in an attempt to reverse Nigeria's decline in oil palm production. These include the oil palm Rehabilitation scheme (OPRS), the food for work oil palm Rehabilitation and the smallholder oil palm project (SOPP) among others. Similarly, the federal government established national Agriculture Land Development Authority (NALDA) in 1991. NALDA main focus is on the provision of strategic support for land development, promotion of economic size for farm holders and consolidation of scattered fragmented holdings (NALDA, 1992).

An aggressive oil palm plantation will arrest such precarious situation and subsequently reversed the trends. This particular agricultural programme is concerned with the improvement of the rural areas. This is because as Odumosu (1988) noted, oil palm plantation is one of the agricultural activities that employed more men and women, boys and girls, young and old people than any other agricultural activities.

Unfortunately, these rehabilitation programmes and establishments of oil palm projects by various state governments in Nigeria have failed to influence significantly, the contribution of palm produce exports

This raises doubts as to the effectiveness of measure introduced by these rehabilitation programmes. To this end, some scholars attributed the failures of oil palm industry in Nigeria in general

and the government's rehabilitation programmes in general to inadequate input like improved seeds, fertilizers and poor management techniques. Anwar *et al*(2023) stressed the need for fertilizer application as oil palm requires plenty of nutrients. Odumosu (1998) for instance noted that despite the realization of the fact that oil palm is an important industry in the economy of any nation, those entrusted with the responsibilities of management have not performed well.

3.0 METHODOLOGY

3.1 Research Design

The researcher used historical research design in the study The researcher's primary aim of using historical design is to be able to link the past to both the present and the future.

3.2 Method of Data Collection

In carrying out this study, the following research tools were used to source the needed information:

- a. Documentary instrument.
- b. Questionnaire instrument.
- c. Interviews.
- d. Intensive review of related literatures.
- e. Participatory or Participant Observation.
- f. Telephone Conversations and Text/Whatsapp messages

3.2.1 Documentary Instrument:

Our first instrument of data collection was the guidelines establishing the project. We collected relevant information from Ministries of Commerce and Industry, Agriculture and national Resources, Works and Secretariat of Ofu Local Government. We equally collected data from the Zonal Office of National Agricultural and Land Development Authority (NALDA) in Makurdi. We also collected data from some highly placed civil servants in the state.

3.2.2 Questionnaire Instrument:

We employed questionnaires to collect data to critically analyse the impact of the project in the lives and activities of people of Igala land in particular and citizens of Kogi State in general. We used it to ascertain the contributions of the projects to the economy of Kogi State.

We used this instrument specifically for a good number of reasons. First, it afforded us greater coverage with minimum monetary and physical inputs. Secondly, this instrument afforded respondents ample time to consider each question carefully thereby reducing the number of ‘first-thought’ or rash answers. Thirdly, the instrument ensured anonymity for respondents, as they were not required to disclose their identities etc. We used the questionnaires to verify the management style of the operators of the establishment as well as their strategies for motivating their workers. About three hundred (300) questionnaires were administered on the study group.

3.2.3 Oral Interview:

Research evidence reveals that oral interview is an important instrument of data collection because of its face-to-face characters which can enable the interviewer to adjust his questions; this particular instrument is very essential because people feel free since only talking is required compared to documents. In order therefore to beef-up information gathered through questionnaires, we employed oral interview. Consequently, the research interviewed the following categories of people:

Some senior staff as well as management team of Alloma oil palm project.

Some senior officers in the ministries of Commerce and Industry, Agriculture and Natural Resources, Works and Finance.

Some retired Permanent Secretaries and ex-Commissioners in the state Some as well as farm attendants in the industry.

Some selected traditional rulers, district and village heads in the area.

Some community activists, leaders of thought in Igala land and opinion leaders in the state. Their responses were first recorded life without any serious omission and later used for analysis

3.2.4 Participatory of Participating Observations

The researcher being an indigene of the area under study made a dependable and participant observation. He did this by identifying with the workers of the establishment and by being physically present in the project site during some working hours. This enabled him to elicit reliable and accurate information needed for the study.

3.2.4 Telephone Calls / Messages

Telephone conversations/interviews as well as text and whatsapp messages were also employed

3.3 Sampling Techniques

For the purpose of this study, we adopted a non-probability sampling method called purposive sampling. By purposive sampling, we mean knowing the specific information one needs for research

analysis, identifying the persons in positions to supply same and getting to them with relevant questions to collect such information/data. We compared the information we got from the respondents. Interviewed orally with those in the questionnaire literature review and content analysis of documents we consulted. This helped us to achieve high degree of validity and reliability.

3.4 Sample Size

The total sample used for this study is 300. Those sampled were both administrative and personnel management departments staff and other members of the community located in the area and its environs. But the actual sample used at the end of the day turned out to be the 285 respondents who returned their questionnaire out of the initial 300 who were given questionnaire.

3.5 Instrument of Analysis

The instrument of analysis employed in this study is the use of Tables and simple percentages for easy comprehension and for the purpose of characterizing the data presented. The formula for finding the percentage is $R/N \times 100/1$

Where: R = Number of response

N = Number of respondents

4.0 FINDINGS, RESULTS AND DISCUSSION

4.1 Occupational Distribution of the Respondents

The occupational distribution of the respondents is presented in Table 1 The findings showed that the majority of the respondents were farmers and traders who have 95 (33.34%) individuals as members.

From the pattern of response by the respondents, it is quite evident that majority of the members of the study came from farmers, traders. This is a good coincidence since the area under study is agrarian in nature. In any environment where the literacy level is low, people of this age bracket are found in an industry that is labour intensive like this one

Table1: Occupational Distribution of the Respondents

OCCUPATION	FREQUENCY	PERCENTAGE
Farming	95	33.34
Teaching	24	8.42
Trading	72	25.26
Civil servant	20	7.02
Unemployed	43	15.08
Students	18	6.32
Others	12	4.56
Total	286	100

Source: Field Work, 2010/2022

4.2 Major Findings and Discussion

Findings showed that the project was not well funded by the Government, there are cases of diversion of funds released by government and from sales, this was alluded to by nearly all those interviewed , the problem of corruption also came to play here as is the case in nearly all government organizations.

Staff welfare has been very poor, evidenced in delayed promotion, non financial implementation of promotions, lack of staff quarters, lack of buses for transporting staff, there are cases of salary disparity , grade placement disparity for staff with same qualification and employed on the same day this is supported by the report of Ejigbo *et al.*(2023) of the presence of favouratism and nepotism in the civil/public service of Nigeria , all the respondents agreed to the above.

There is also the problem of inadequate and obsolete equipments and machinery which has hindered efficiency and productivity. Similar problems were reported by Vermeuleu,(2006) in some oil palm plantations /projects in Nigeria obsolete oil mills are still in use,

The project can be expanded to about 8000 hectares plantation, this can be achieved by acquiring the land adjoining the project and paying adequate compensation to the owners of the land, this will discourage stealing of the palm fruits. Provision of adequate security will prevent theft of the palm fruits, palm oil, equipments as well as kidnapping of staff. Electricity supply is very crucial to the smooth operations of the project ,this can be achieved by linking the project with the national grid. More access roads can be constructed and existing roads can be rehabilitated. The role of water supply cannot be overemphasized in a project of this nature , to this end a mini water works can be established or bore holes can also be constructed to support the water works . the provision of adequate and modern equipments and machines,in line with current realities of the 2020s will boost efficiency and productivity as alluded to

by the report of Okpara 2000;Cosioaux, 2015). Improving staff welfare will involve construction of staff quarters, provision of buses for transporting staff, prompt promotion of staff, fair treatment of staff.

The project on expansion can employ about 5000 staff,(both skilled and unskilled.

The project may be capable of generating about 50 Million Naira monthly this translates to 600 Million Naira yearly , the revenue can be generated not just from the oil , but also from the making and sale of brooms, palm wine, palm kernels, palm fibre, palm kernel oil, palm kernel meal, timber , as supported by the report of (Murphy *et al.* 2019) apart from palm oil and palm kernel which are export commodities, the other products listed also have export potentials. Thus the alloma oil palm project will contribute to the internally generated revenue of Kogi state

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

From the findings of the study, we can conclude that despite the colossal sums of money sunk into the establishment of oil palm project, the plantation has not made any significant contribution in the socio-economic well being of the people of Kogi state, even though it has the potential to do so.

The project is grossly mismanaged, poorly funded, and under performing

5.2 Recommendations

Based on the findings and conclusion made from the study, it is hereby recommended that:

1. The Kogi State government should as a matter of urgency, release funds for the overhauling and expansion of the project.
2. Employ more qualified staff and put in place a formidable management team.
3. Ensure proper monitoring, auditing and marketing systems.
4. Provision of adequate electricity power supply and water

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