

Case Study

Soybean Supply Response for Food Security Dynamics in Nigeria: An ECM Approach

Abstract

Food insecurity is blamed on supply dynamics as slow farmers responsive behaviours to food policy regime in Nigeria persist in the long-run. This study is aimed at establishing farmers' response to food security through soybean output response. Data used for the study included (were drawn from series of unit) domestic and export prices, volume of export and output supply of soybean, its acreage and weather condition with rainfall as proxy from CBN and NBS annual bulletin from 1960 to 2012. (Analysed) Analysis was (were) done with descriptive statistics, (ratios) such as percentage distribution and econometric models. Econometric models such as (Please note that it is only one model adopted here using error correction analytical framework) Nerlove partial adjustment and Cobb-Douglas models, cointegration test and error correction mechanism (ECM). (There is a fluctuating changes in supply from 186.9% in 1986-1990 due to SAP policies to a drastically decline to 4.6% before 2012 reflecting a food insecurity dynamism. This statement is clumsy, cumbersome and unclear) Though there is a short-run divergence of all the series, the ECM showed that about 34.4% proportion of the disequilibrium in the soybean supply in less than one period was corrected in the next period. (Evidence of short-run inelastic and positive domestic and export price of actual supply persisted in the long run though with a slight improvement- This statement is clumsy and unclear). Thus, making farmers supply responsiveness to food self sufficiency a short term event. The same with rainfall and acreage, thus making farmers to respond to policies on irrigation and expanded area of land for soybean cultivation imperative. Adjustment coefficient is 0.888, which is positive and less than unity. Therefore, the slight rise in actual supply is never instantaneous but rather due to farmers effort in short-run adjustments to bring an expected output supply to the actual supply level. It is recommended that acreage, distance and irrigation (to support short rainfall duration of the savannah region) be included in government policies to increase farmers supply responsiveness. HOW? This recommendation is ambiguous. Farmers should also look inward toward attaining efficiency since it is more cost-effective to galvanize improved returns and output, hence elastic soybean supply through efficiency than new technologies. Farmers should look inward for what? how? Your recommendations are ambiguous.

The Abstract should be sharp, clear and contain findings and recommendations that are not ambiguous. The Abstract should be reduced to about 250 words and should include Keywords.