

Impact of fuel subsidy removal on agricultural production among smallholder farmers in Cross River State, Nigeria

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Abstract

The study looked at how smallholder farmers in Nigeria's Cross River state fared agriculturally after fuel subsidies were removed in 2023. The study was directed by four objectives. 120 smallholder farmers received standardized questionnaires, which were used to collect data. A multistage random selection approach was employed in the study to identify farming households from each hamlet. The data were analyzed using Likert-type scales, regression, and descriptive statistics. The findings of logistic regression indicate that the elimination of fuel subsidies has had a detrimental effect on agricultural operations in the research region. These issues include growing transportation expenses, limited sales, a shortage of vehicles to deliver product to markets because of high fuel prices, and, lastly, rising prices for the country's available agricultural commodities. The study submits that agriculture is a profitable sector for young people to pursue after seeing that youngsters between the ages of 20 and 29 (64.2%) dominated in the field. The results showed that while the distance between the farms and the market is a significant factor contributing to the high cost of transportation, it also has an impact on the price of agricultural produce. As a result, the government ought to assist rural farmers by building roads, offering incentives, better market access, and subsidized transportation. In order to lessen burdens for residents, especially smallholder farmers in Cross River State, the report recommended that careful research be prioritized before enacting policies like the reduction of fuel subsidies.

Keywords: Fuel subsidy, Smallholders' farmers, Agricultural production, Transportation, Cross River

Introduction

The elimination of fuel subsidies has had a significant impact on Nigeria's agriculture industry. With an average GDP contribution of 23%, agriculture which includes soil cultivation, crop production, and animal raising plays a significant role in Nigeria's economy. Crop production, livestock, fishing, and forestry make up the four main categories of agriculture in Nigeria. Crop production is the largest of these, before animal rearing, fishing, and farming, in that order. Sixty percent of households are involved in crop farming, which includes cassava, yam, guinea corn, and maize.

Nigeria, ranking sixth among the Organization of Petroleum Exporting Countries (OPEC), has enormous oil deposits that have brought in billions of foreign currencies over the last five decades. But even with this wealth, the country's supply of refined crude oil products has decreased because of a number of problems, such as incompetence, corruption, poor management, and overspending on subsidies (Ibanga, 2011; Balougba, 2012). Not only has the oil sector shaped Nigeria's economic policies, but it is also considered the life-wire of the country's economy (Adekoya, 2021). To ease the burden on the general public, fuel supports a rule that maintains customer values for commodities or services under marketplace charges were first put into place during

the military era. Yet as time went on, these subsidies became unaffordable, which resulted in problems including smuggling, corruption, and financial limitations (Omoniji, 2012).

Despite the enormous amounts of money spent on fuel subsidies, most Nigerians did not benefit from them, as money was wasted and unfocussed from important structural schemes (Onanuga, 2012). In 2023, the sudden revelation that fuel subsidies will be discontinued brought attention to the necessity for a change in economic policies that would allocate funding into other areas for long-term development. But cutting back on subsidies is a touchy subject that frequently leads to social unrest and unstable economic conditions (Sheeran, 2015). Given its possible effects on the economy and society.

Wide-ranging impacts of the elimination of gasoline subsidies include disruptions to the transportation, agricultural, and general economic development sectors. Removing subsidies raises transit costs and rates, which affects both agricultural and nonagricultural commodities, according to studies (Olaniyi, 2016). Additionally, because the oil industry has taken center stage, Nigeria's once-strong agricultural sector has been neglected (Agu et al., 2018). In addition, the elimination of subsidies brings with it issues including lower household income, inflation, and decreased

competitiveness (Adenikinju, 2009; Bazilian and Onyeji, 2012; Ocheni, 2015). The intention behind eliminating fuel subsidies was to promote economic diversification and address fiscal deficits; however, this has resulted in unforeseen consequences. Transportation costs, inflation, and overall consumer welfare are all impacted by rising fuel prices (Olaniyi, 2016). Adelabu (2012) adds that the elimination of subsidies has also increased poverty, put a strain on household budgets, and fueled social unrest. The elimination of fuel aids in Nigeria is a significant turning point in the country's economic history, affecting its people and different industries. This research tries to investigate how the removal of subsidies affects the Nigerian economy, taking into account how it affects transport, farming, and general economic solidity. The research attempts to clarify the opportunities and difficulties brought about by this policy change by examining the literature and empirical data.

Research Issues

- 1) What socioeconomic traits do the smallholder farmers in the research area have?
- 2) How does the availability of agricultural products in the study area depend on the cost of transportation?
- 3) How will the elimination of fuel subsidies affect the selling of agricultural goods in the research region?
- 4) How do the marketing of agricultural products and transportation interact?

The study's objectives

Examining the effects of fuel subsidy elimination on smallholder farmers' production in Cross River State is the study's objective. The specific objectives were to:

- 1) Outline the socioeconomic traits of the smallholder farmers in the study area;
- 2) Investigate the influence of transportation costs on the accessibility of agricultural products within the study area;
- 3) Investigate the consequences of eliminating fuel subsidies on the marketing of agricultural products within the study area; and
- 4) Ascertain the connection between agricultural product marketing and transportation.

Literature Review

Conceptual Review

Fuel Subsidy Removal in Nigeria

In Nigeria, the question of eliminating fuel subsidies has generated controversy for many years. The government artificially lowers fuel prices for citizens by spending billions of dollars a year, yet the social and economic effects of this strategy are still hotly contested (Akov, 2015). Proponents claim that eliminating subsidies will allow the government to invest in important sectors like infrastructure and education (Omitogun et al., 2021).

Additionally, they believe it would promote private investment in domestic refining, hence reducing long-term dependence on imported fuels (Omitogun et al., 2021). Opponents highlight the potential disadvantages for Nigerians, particularly the most vulnerable, nonetheless (Nwachukwu et al., 2013). The removal of subsidies will likely result in higher fuel prices, which might affect the entire economy. Growing transportation costs may result in higher prices for goods and services (Nadoo, 2022). As a result, consumers' purchasing power would decline and inflation might rise (Nadoo, 2022).

One specific topic of worry in this broader conversation is the potential impact on Nigeria's smallholder farmers of the removal of fuel subsidies. Some studies suggest that the midstream sector, which manages the transportation and storage of refined petroleum products, may be experiencing issues (Ojo, 2023). When fuel prices increase, consumers may cut back on their use, which could cause a short-term drop in demand. There may be short-term shortages or imbalances as a result of suppliers having to restructure their operations to conform to the new pricing structure (Ojo, 2023). Furthermore, growing fuel prices may result in higher operating expenses for transportation companies, an essential component of agricultural output. The final cost of goods could be impacted by these costs being passed on to businesses and consumers (Nadoo, 2022). This domino effect might make inequality already present worse and impede economic growth (Nwachukwu et al., 2013).

Still, the picture is not wholly unfavorable. Eliminating subsidies may present chances for long-term supply chain enhancements. The government may upgrade transportation networks, storage facilities, and roadways with the money it would have saved (Omitogun et al., 2021). In the long run, a more effective infrastructure system would save transportation expenses, which would benefit companies and consumers alike (Omitogun et al., 2021). Eliminating subsidies may also encourage investment in domestic refining, which could lessen Nigeria's dependency on foreign fuels (Omitogun et al., 2021). As a result, agricultural production among smallholder farmers would be less susceptible to changes in the price of goods globally and outside shocks.

Empirical Review

In Nigeria, the abolition of fuel subsidy regime has generated discussion, especially in light of how smallholder farmers' agricultural output might be impacted. Numerous studies have been carried out to investigate how this policy change may affect other industries, including agriculture.

An investigation on the impact of the sudden withdrawal of fuel subsidy on agricultural productivity during the 2023 growing season was carried out qualitatively by Sanchi et al. in 2023. With an emphasis on the costs of grains, yam tubers,

garri, beef, and fishes, the review examined the effect of the extermination of fuel subsidies on a few key food items in Port Harcourt. The research discovered that government had eliminated subsidy on fuels in 24 occasions in 58 years between 1966 and 2012, and that the cost of some food items, particularly beef and fish, skyrocketed between 2001 and 2012. Although the study did not directly look at the effect on agricultural output among Nigerian smallholder farmers, it did settle that the withdrawal of subsidies on fuel had an influence on food costs.

In order to ascertain the effect of eliminating fuel subsidies on Nigeria's GDP and transportation expenses, Adepoju et al. (2023) carried out a study. The study's secondary data on the cost of Premium Motor Spirit (PMS) and the GDP of the nation came from Statista and was conducted using a correlational research design. Research revealed that the elimination of fuel subsidies in Nigeria resulted in a 64% rise in inflation and a 42.5% decline in GDP.

According to the study, policies encouraging non-motorized transportation and alternative fuels could help lessen the effects of rising fuel prices. It also contends that addressing the issue of fuel subsidies has a significant impact on the economy.

Furthermore, as seen in other nations, the research suggests two alternatives to eliminating subsidies: boosting fuel supply to match demand and looking into alternative fuels. The report highlights the significance of strategically planned refinery privatization and on-site crude oil refining (Ugbaka et al. (2019).

Furthermore, Izom et al.'s paper from 2023 explores Nigeria's fuel subsidy reduction program, highlighting both its opportunities and difficulties. It makes the case that the policy has harmed residents and suggests that in order to lessen difficulties in the future, the government create efficient implementation plans. The study's theoretical foundation was structural functionalism, and its methods for data analysis included content analysis and logical inference. The results show that, far from providing the expected benefits, the policy has had the opposite effect on citizens, and that, among other problems, the government did not appear to have taken any concrete steps to mitigate the future troubles that were anticipated during the policy's implementation. Among other things, the study suggests that governments at all levels immediately evaluate the policy on subsidy reduction and offer well-structured palliatives to lessen citizens' suffering.

According to Ogbu (2012), Nigeria's current problems are more severe than they were in previous eras, even though President Jonathan's administration gradually removed petroleum subsidies. As such, the amount of research done on this subject has been quite low. Ogbu discusses the benefits and drawbacks of eliminating fuel subsidies in his

article, "Implications of Fuel Subsidy Removal on the Nigerian Economy." Financial resources will be freed up, domestic refineries will be encouraged to increase petroleum production, Nigeria will become less dependent on imported fuel, jobs will be created, funds will be allocated for the development of vital public infrastructure, budget deficits will be reduced, surplus generation in the near future will be anticipated, government borrowing will be mitigated, and corrupt practices will be suppressed. Conversely, the disadvantages include higher rates of crime, higher inflation, higher petroleum product costs, and possible job losses in the unorganized sector.

The impact of the removal of fuel subsidies in Nigeria is examined in the paper by Adinoyi and Kpae (2023), which also suggests palliative methods to lessen the negative impacts. To increase public trust, it highlights the necessity of accountability and openness in the palliative care distribution process. The study's qualitative methodology brings to light the palliative care's lack of social inclusivity and the public's resulting loss of faith in government endeavors. A 100% pay rise for government employees, the participation of various stakeholders, and steps to stop food palliatives from being hoarded are among the recommendations. Overall, the study emphasizes how critical it is to address socioeconomic issues and improve social inclusion when allocating resources for fuel subsidy removal initiatives.

Research on the immediate implications of this policy change on smallholder farmers' agricultural productivity is conspicuously lacking, despite the fact that numerous studies have examined the wider economic effects of fuel subsidy removal in Nigeria. Apart from that, there are no mitigation techniques specifically designed for the agricultural sector, nor are local contexts and regional variations within Nigeria taken into consideration. Further investigation is also required to comprehend the long-term impacts and sustainability of the elimination of fuel subsidies on smallholder farmers' resilience and agricultural productivity. Although there hasn't been dedicated research on how Nigerian smallholder farmers' agricultural output has been affected by the elimination of fuel subsidies, the wider economic effects of this policy have been extensively reported. The elimination of fuel subsidies has impacted citizens negatively and raised inflation and GDP. Using alternative fuels, enacting laws that promote non-motorized transportation, and making sure that fuel subsidy removal palliatives are distributed fairly and openly are some possible ways to lessen the effects of rising fuel prices.

Materials and Method

Description of the Research Settings

The study was conducted in the Cross River State of Nigeria. Cross River State is one of the 36 states that make up Nigeria.

The state of Cross River is part of the South-South geopolitical zone of Nigeria. The eastern part of the Eastern Region became the state that now goes by the name of the Cross River on May 27, 1967. The capital is Calabar. It is bordered to the north by Benue state, to the west by Ebonyi and Abia state, and to the southwest by Akwa Ibom state. It shares a portion of its eastern border with Cameroon. Most people are employed in agriculture, both locally and internationally. The main crops grown by the locals include rice, garri, yam, groundnuts, coco-yam, cocoa, plantain, cassava, and maize. Cross River State is home to the well-known Calabar Carnival, Nigeria's tourism destination city.

Population of the Study

The study's target demographic consisted of Nigerian farmers in the South - South Zone. Particularly, people who lived in the designated zones (Zones A and C), the local government districts (Obudu and Obanlikwu), and the rural communities that were a part of these districts were included. As a result, all of the chosen smallholder farmers in the chosen zones, local government districts, and rural villages in Nigeria's South - South region were included in the study.

Sample Size and Sampling Procedures

For the investigation, the multistage sampling technique was used. Because there are a lot of smallholder farmers in Cross River State, two of the three agro-geographical zones were purposefully chosen for the initial stage. Zones A and C were the ones chosen. The second phase comprised the deliberate selection of the local government areas (LGAs) of Obudu and Obanlikwu from the two designated agricultural zones in light of their noteworthy contributions to agricultural output. Igwo, Bebuabong, Bebuabia, Uhong, Bishiri, and Bedie are among the two (2) LGAs that were systematically chosen during the third round in order to assure representation from a variety of LGAs. In order to guarantee an impartial and equitable representation of smallholder farmers in each of the six rural areas, the last step of the process was a straightforward random selection of twenty respondents from each community. This indicates the 120 smallholder farmers that made up the overall sample size chosen for this investigation.

Data collection

Primary data was gathered through focus groups, in-depth interviews with smallholder farmers, and a planned interview schedule. The poll employed structured questionnaires to collect data and took about two hours to complete. The socio-demographics of smallholder farmers, the connection between transportation costs and agricultural product marketing in the study area, the effect of transportation costs on product availability, and the consequences of eliminating fuel subsidies on agricultural product marketing were the main themes of the survey. By

marking the questionnaires, which were designed to make it simple to respond [✓] for Strongly Agree (), Agree (), Disagree (), and Strongly Disagree (), as well as by using Yes () or No (), participants expressed their preferences.

Data Analysis

The study's data collection was examined using descriptive statistics, including frequencies and percentages. The logistic regression technique was also used to examine how transportation costs affected the availability of agricultural items for farmers in the study area. A four-(4) point Likert type scale was used to determine the degree of correlation between transportation costs and the sale of agricultural produce in the study area. The values for Strongly Agreed (SA), Agreed (A), Disagreed (D), and Strongly Disagreed (SD) were 4, 3, 2, and 1. The data was analyzed using the Statistical Package for Social Science (SPSS) version 27, and both descriptive and inferential statistics were used to describe the findings.

Results and Discussion

Socio-economics characteristics of respondent in the study area

Table 1 displayed the socioeconomic characteristics of the respondents that were the subject of the study, including: sex, age, marital status, size of the household, degree of education, type of farming, experience level, and income level. The study found that women made up 40.0% of the area's small-scale farmers, compared to a significant percentage of men (60.0%). This finding corroborates the research of Okwuanya et al. (2015), who discovered that because of their leadership position, male-led households are more likely to adopt agricultural technology, which helps with farm planning and management to increase productivity and preserve family well-being. The findings showed that the majority of respondents (64.2%) were between the ages of 20 and 29. This suggests that the majority of farmers are young, which is good news. Of the respondents, 27.5% were between the ages of 30-39 and 8.3% were between 40-49. Of the respondents, 0.8% were divorced, 1.6% were widowed, 50.0% were married, and 47.5% were single. 65.8% of those surveyed said their households had one to five people. Lessers reported having larger households: 3.3% had 11–15 members, 6.7% had 16–20 members, and 24.2% had 6–10 members. . Given that large families are common in Northern Nigeria, where they function as readily available workforces, this discovery is not surprising. In addition, men are allowed to marry up to four women according to religious and cultural customs. In the research area, home labor was widely used for a variety of tasks, including planting, weeding, harvesting, and plowing. In a similar vein, large households might make agricultural information easier to access.

Of the respondents, 24.2% had only completed secondary school, whilst 52.5% had completed higher education. Of the respondents, just 4.2% had completed elementary school, and 19.1% had no education at all. This suggested that the sampled respondents' literacy levels are comparatively high in the research area. The majority of small-scale farmers in the research area—82.5%—were involved in farming full-time, whereas just 17.5% did it part-time. This suggests that the majority of the people living in the research region are farmers. In addition, 4.8% of respondents said they had been farming in the study region for one to five years, 3.2% for six to ten years, 19.4% for eleven to fifteen years, 26.6% for sixteen to twenty years, and 46.0% for twenty-one years. Through practical information gained over time in the study area, agricultural experience actually helps farmers increase their output. With regard to family income, the majority (58.9%) fell between N201, 000 and N300, 000, with 27.4% falling between N101, 000 and N200, 000. While 0.8% earned less than N100, 000 and 12.9% earned between N301, 000 and N400, 000. This suggests that any area of agriculture can be profitable as long as one has experience and is prepared to put in a lot of effort and intelligence.

Table 1. Socio-economic characteristics of the respondents in the study area

Socio-Economic Variables	Frequency	Percentage (%)
Gender		
Male	72	60.0
Female	48	40.0
Age Range		
0-29	77	64.2
30-39	33	27.5
40-49	10	8.3

Results of a logit regression illustrating how transportation costs affect the availability of agricultural products in the research area. The findings, which were analyzed using the logistic regression model, are shown in Table 2 and showed

Table 2. Logit regression on the impact of transportation cost on availability of agricultural products

Variables	Coefficient (B)	Standard error	Wald	Sig.	Exp (B)
Gender	0.03034	0.0155	-0.207	0.0384*	0.1028
Age	0.2519	0.0120	0.802	0.4820	0.1293
Income level	0.3105	0.2535	0.802	0.1391	0.2711
Household size	0.3057	0.2579	0.082	0.1291	0.2520
Agricultural exp	0.0729	0.5298	0.452	0.0041**	0.7147
Level of education	0.1426	0.4260	0.034	0.0028**	0.1476
Log likelihood	-28.19470				
NgelkerkeR ²	0.2751				

Source: Authors' Field survey, 2024. * = Significant at 5% significant levels

** = Significant at 1% significant levels

This indicates that the independent variables in the model can account for about 27.5% of the variance in the availability

Marital Status		
Single	57	47.5
Married	60	50.0
Divorce	1	0.8
Widow/Widower	2	1.7
Household Size		
1-5	79	65.8
6-10	29	24.2
11-15	4	3.3
16-20	8	6.7
Level of Education		
No Education	23	19.1
Elementary Education	5	4.2
Secondary Education	29	24.2
Higher Education	63	52.5
Nature of Farming		
Full-time	99	82.5
Part-time	21	17.5
Farming Experience (years)		
1-5	8	6.7
6-10	10	8.3
11-15	23	19.2
16-20	33	27.5
21 and above	46	38.3
Income Level		
Less than 100,000	1	0.8
101,000-200,000	34	28.4
201,000-300,000	73	60.8
301,000-400,000	12	10.0
TOTAL	120	100

Source: Authors' Field survey, 2024.

The impact of farmers' demographic traits on how transportation costs affect the availability of agricultural products in the research area. The value of R-squared, or "R Square," is 0.275.

of agricultural productivity. The study found that, in contrast to age, income level, and household size, which do not seem

to have a major impact in the study area, gender, farming experience, and educational attainment all significantly affect the availability of agricultural products.

Gender influences the availability of agricultural products in a statistically significant way, as indicated by the gender coefficient, which is significant at 0.0384. According to the odds ratio, there is a 0.1028 increase in the likelihood of agricultural product availability for males compared to females. Agricultural experience has a statistically substantial impact on the availability of agricultural products, as evidenced by the fact that it is significant at the 0.0041 level. According to the odds ratio, the probability of agricultural product availability drops by a factor of 0.7147 as agricultural experience rises. The study also showed that education had a statistically significant effect on the availability of agricultural products, with the level of education being significant at the 0.028 level. According to the odds ratio, there is a 0.1476 decrease in the likelihood of agricultural product supply for every unit of schooling that increases.

All things considered, regression analysis demonstrated the strong correlations between a number of variables and the availability of agricultural goods. The availability of agricultural products was found to be significantly influenced by gender, degree of education, and prior farming experience. More specifically, the likelihood of agricultural product availability was found to be correlated with male gender, less experience in agriculture, and greater levels of education; age, income level, and household size did not significantly affect the availability of agricultural products. These results offer insightful information to stakeholders and politicians who are attempting to tackle issues related to agricultural product accessibility, helping to direct the creation of focused initiatives and policies that assist marginalized populations.

Impact of Removing Fuel Subsidies on Agricultural Product Marketing

Understanding Fuel Subsidies and Their Effect on the Economy

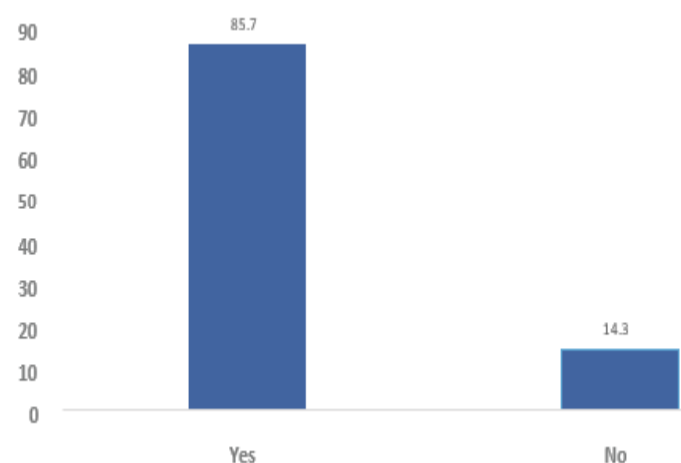
Given that the majority of the sampled respondents were young and had a high level of education, the survey results shown in Figure 1 showed that the majority of them (85.7%) indicated that they had an existential understanding of what a fuel subsidy is. This gives them a chance to investigate

issues related to agriculture and how it affects them. The minority (14.3%) who were unaware of fuel subsidies at the time this study was conducted expressed a desire to learn more about them and how they affected their output.

Obstacles or Difficulties since Fuel Subsidy Removal

According to Table 3's statistics, most respondents acknowledged that they had encountered a number of difficulties in their agricultural production ever since the fuel subsidy was removed. It is also disclosed that they have encountered difficulties with the production and delivery of produce from the farms in the villages, which serve as the point of production, to the markets, which are not particularly near to the farms. The primary obstacles encountered by farmers were the rising expenses associated with planting supplies, encompassing the price of herbicides, fertilizers, and better seed kinds. Other difficulties were high transportation costs, insufficient storage and transit infrastructure, and, finally, a decline in sales as a result of the nation's current increase in the price of agricultural goods. The respondents claim that all of these obstacles are difficulties as a result of the elimination of fuel subsidies.

Figure 1. Respondents' prior knowledge of fuel subsidy. Field



Survey, 2024

Table 3. Challenges or Barriers Faced Since the Removal of Fuel Subsidy

Variable	Frequency	Percent (%)
Yes	98	81.7
No	21	17.5
Total	120	100.0

Source: Field survey 2024

Table 4. Relationship Existing between Transportation Cost and Marketing of Produce

S/N	CONSTRAINTS	SA		A		SD		D	
		F	(%)	F	(%)	F	(%)	F	(%)
1.	High cost of transportation affects price of produce	82	67.4	28.6	24.6	5	4.0	5	4.0
2.	Distance between farms and markets impacts transportation and logistics	56	45.2	32	25.8	14	11.3	18	14.5
3.	Availability of reliable means of transport will affect farmers expansion of market	61	49.2	38	30.6	8	6.5	13	10.5

Source: Field survey, 2024. SA: Strongly Agree, A: Agree, SD: Strongly Disagree, D: Disagree

Relationship between Produce Marketing and Transportation Costs

In the research region, efforts were made to ascertain the relationship that exists between the cost of transportation and the sale of agricultural produce. Table 4 presents the findings.

The majority of responding farmers (67.4%), as the chart demonstrates, strongly agreed that high transportation costs have an impact on the price of agricultural produce. While (28.6%) concurred that an increase in transportation was one of the main factors driving up the price of agricultural produce on the market. 4.0% of respondents strongly disagreed with the statement that market prices for vegetables are unaffected by transportation costs. Additional survey data reveals that one of the main causes of the high cost of transportation is the distance between the farms and the market. About 45.2% of respondents strongly agreed with it, compared to 25.8% who just agreed, 11.3% who strongly disagreed, and 14.5% of respondents who were in the minority. Markets that are located closer to the farms will lower the cost of produce and other products in the markets and relieve the strain of transportation for farmers who cannot afford such high costs.

Additionally, the findings showed that the availability of dependable transportation will have a favorable effect on farmers' market growth; if there is a solid and reasonably priced transportation network, farmers will be inclined to explore markets outside of the research area. A significant majority of farmers (49.2%) strongly agreed that having dependable transportation options will help farmers expand their markets. Additionally, 30.6% of farmers who responded agreed that having dependable transportation options will help farmers expand their markets in the study area. 10.5% more respondents disagreed, stating that the availability of dependable transportation will not have a favorable effect on farmers' efforts to expand their markets within the research area. They contended that transportation had no bearing whatsoever on farmers' efforts to expand their markets.

Conclusion

This study looked at how smallholder farmers in Nigeria's Cross River state were able to increase agricultural output

after fuel subsidies were removed. Based on the findings of this investigation, the study draws the conclusion that the elimination of fuel subsidies, which was authorized by Nigerian President Bola Ahmed Tinubu on May 29, 2023, is having a negative impact on the state of agriculture in Cross River State, Nigeria. The study found that youngsters between the ages of 20 and 29 dominated the agricultural industry, with men making up the majority of farmers. The farmers were well experienced in farming, and many of them had completed higher education.

The elimination of the fuel subsidy had a detrimental effect on the region's agricultural activity, resulting in problems like higher transportation expenses, insufficient trucks to deliver goods to markets because of high fuel prices, and low sales. It is impossible to overstate how fuel subsidies affect farmers' livelihoods and agricultural output in the study region; as a result, actions are required to reduce the area's rapidly rising cost of living. This is due to the fact that in addition to current issues, new ones will always emerge.

Thus, it is crucial to determine how the elimination of fuel subsidies may affect agricultural output, particularly for smallholder farmers. The study's findings indicate that the price of agricultural produce is impacted by high transportation costs, with a key contributing factor being the distance between the fields and the market. The availability of dependable transportation options will benefit farmers by enabling them to expand their markets and raise the price of planting supplies, which includes better seed varieties, fertilizers, and pesticides. Additional difficulties were high transportation costs, insufficient facilities for storage and transportation, and, finally, a decline in sales as a result of the nation's current increase in the price of agricultural goods.

Recommendations

Based on the results of the study, the following suggestions are offered:

- 1) Public-sector initiatives to support agricultural development and rural lives should include transportation cost subsidies for small-scale farmers in rural areas. These subsidies may be financed by special agricultural development funds or the national budget.

To improve the execution of these subsidies, partnerships with private sector players and cooperation with international assistance organizations or non-governmental organizations (NGOs) that focus on rural development are recommended.

- 2) To help small-scale farmers sell their produce especially perishable items more quickly and easily, it would be beneficial for local government authorities or other relevant governmental entities to encourage the establishment of marketplaces near farming communities and easily accessible road networks.
- 3) Raw material costs should be covered and incentives offered.
- 4) Regarding the fuel subsidy issue, before enacting the policy, the government ought to have provided for the needs of its people in order to enable them adjust to the loss of the subsidy and find a middle ground. Thus, in order to avoid causing their populace great suffering, future leaders are urged to conduct extensive and reliable research on the effects of the policies they would be implementing.

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