

# **Evaluating Nigeria's Rice Import Protection Policy**

*Implications for Agricultural Transformation, Food Security, and Welfare Outcomes*

*Preliminary research – Work in progress*

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***Policymaker–researcher Matchmaking Session***

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# Why Rice, Why Now?

*Rice import protection sits at the center of Nigeria's food security and industrial policy debate*



**Strategic Importance**

Rice is Nigeria's most politically and economically sensitive staple, central to food prices and welfare.

Rapid demand growth (population, urbanization, diet shifts) outpaced domestic supply.



**Key Vulnerabilities**

- Pressure on foreign exchange
- Exposure to global price shocks
- Limited incentives for agro-processing



**Core Policy dilemma**

Can import protection stimulate agro-industrial transformation *without undermining food affordability and regional trade integration?*



**Critical**

Rising food prices, AfCFTA integration, and fiscal constraints demand evidence-based guidance

*Similar rice protection strategies have been pursued in countries such as Ghana, Senegal, and Tanzania, with mixed outcomes for prices, welfare, and competitiveness.*

### 3

## Policy Response: Nigeria's Rice Import Protection Strategy

### Nature of the policy instruments

High import tariffs (up to 70%)  
Import bans  
Foreign exchange restrictions for rice importers

### Policy timing and intensity

Intensified post-2015 under import substitution and self-sufficiency agenda

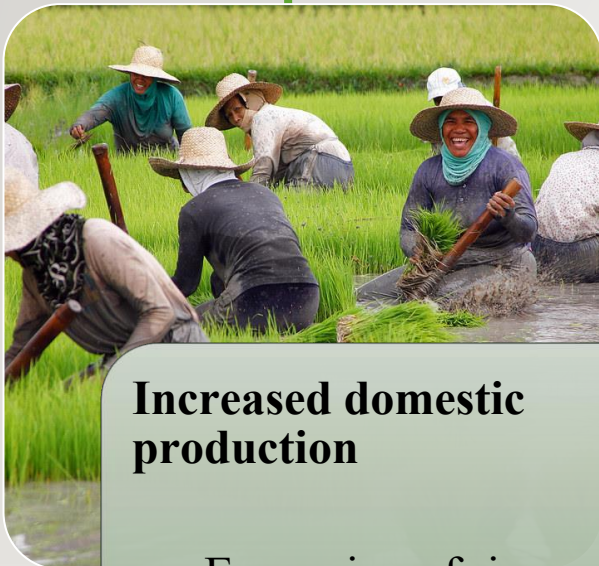
### Stated policy objectives

- Stimulate domestic production and milling.
- Reduce foreign reserve outflows.
- Create rural jobs and raise farmer incomes
- Achieve food self-sufficiency.

# Hypothesized Gains and Emerging Patterns to Be Tested

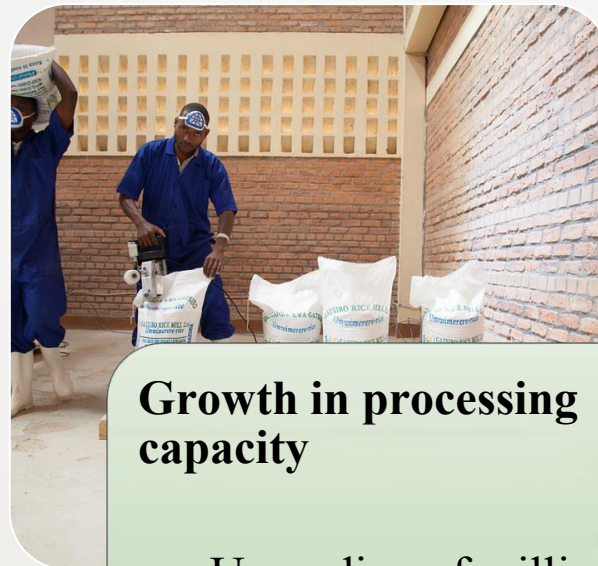
4

*These are hypothesized mechanisms and concerns drawn from theory, descriptive trends, and policy debates.*



## Increased domestic production

- Expansion of rice cultivation
- Entry of new large and medium-scale millers



## Growth in processing capacity

- Upgrading of milling technology
- Improved domestic rice quality and branding



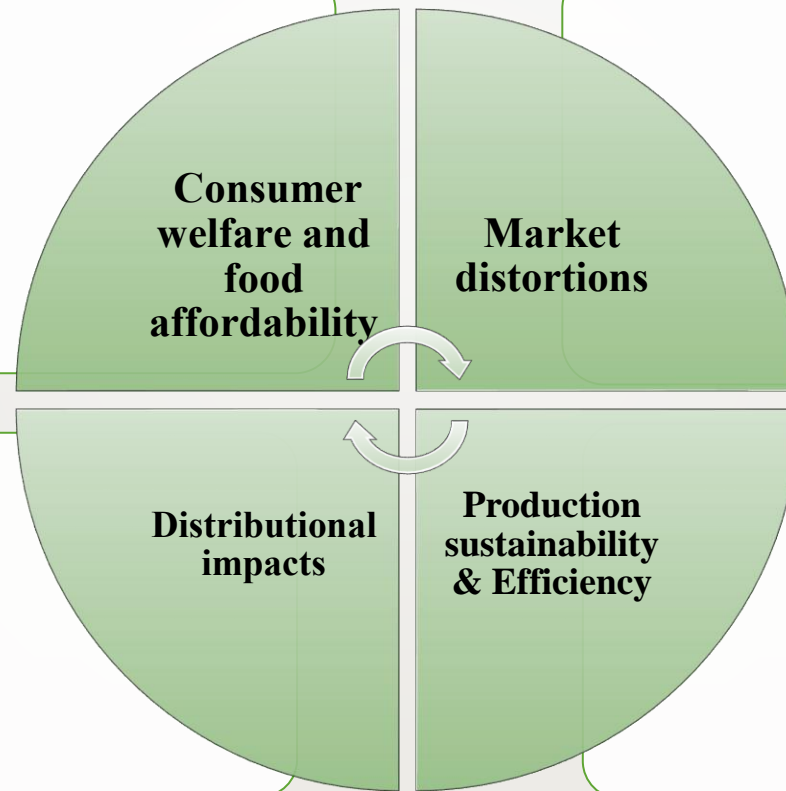
## Supply-side incentives

- Potential employment generation in rural areas
- Higher producer prices improved incentives for farmers

## 5

## What Remains Unclear: The Unintended Consequences and Trade-offs

- Does rice import protection enhance food security through higher production, or erode it through higher consumer prices?
- Do the welfare and distributional costs of rice import protection outweigh its production and industrialization gains?



- Does rice import protection amplify price volatility rather than stabilize prices?
- How do trade restrictions interact with regional trade and informal markets?
- Has rice protection conserved foreign exchange without raising consumer costs?

- Are welfare gains concentrated among producers, while costs fall on poor consumers?

- Does protection generate sustained productivity gains or only short-term price effects?

# Contribution: Filling the Welfare & Distributional Evidence Gap

## *What This Study Adds*

1.

**A nationwide, causal, and empirical evaluation of Nigeria's rice import protection policy**

2.

**Moves beyond production outcomes to examine household welfare, inequality, and distributional impacts.**

3.

**Integrates industrial policy, food security, and welfare economics in one framework**

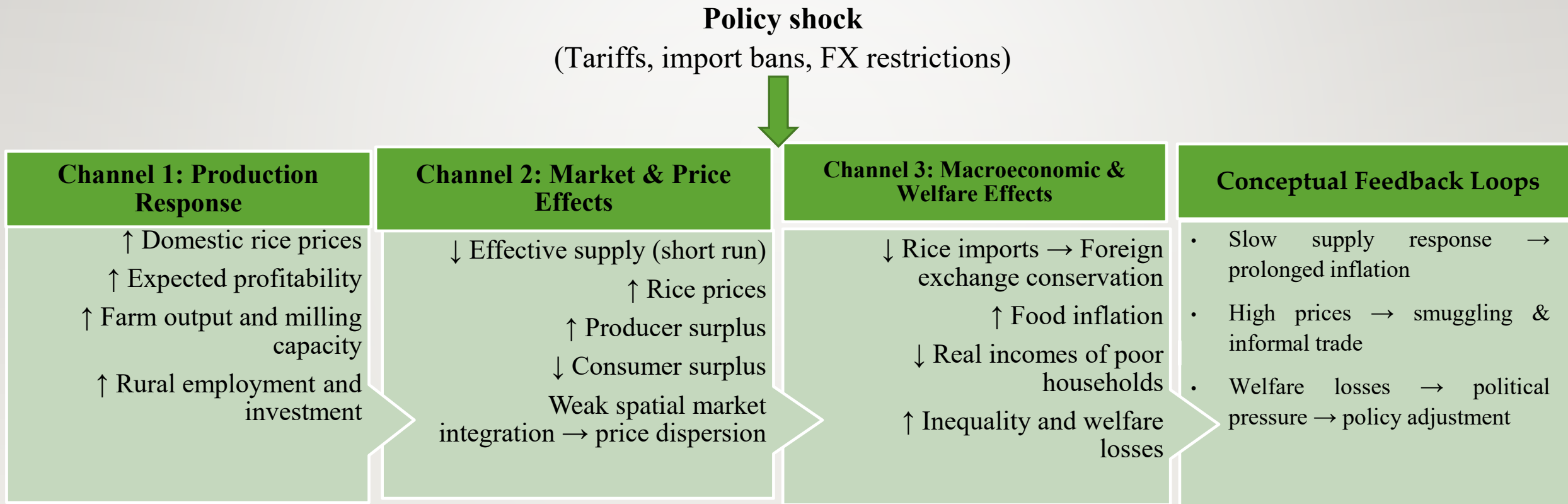
**Why it matters:** Policymakers need evidence on *who benefits, who pays, and under what conditions protection works.*

# Conceptual Framework : Hypothesized Effects of Rice Import Protection

7

## *Theory of Trade Protectionism and Import Substitution Industrialization (ISI)*

This theory argues that temporary protection of strategic sectors can stimulate domestic production, learning-by-doing, and structural transformation in the presence of market failures (*Friedrich List, 1841*).



# Core Analytical Question Addressed in This Study

8

**To evaluate the causal welfare and distributional effects of rice import protection on Nigerian households  
(Who benefited and who bore the costs?)**

• **Objective: To assess the causal impact of rice import protection–induced price changes on household welfare and food security**

• **Real consumption, Food expenditures shares**

• *Method:*

• **Difference-in-difference (DiD), Descriptive welfare decomposition**

• **Objective: To identify distributional winners and losers of rice import protection across income groups**

• **Welfare changes by quintile, inequality measures**

• *Method:*

**Heterogeneity analysis, Quantile regression, Sub-group DiD estimators**

• **Objective: To identify gender and household-level differences in welfare outcomes**

• **Real household consumption per capital, Food security indicators, Female adult share of household members**

• *Method:*

• **Difference-in-difference (DiD) with gender interaction**

9

## Main Data Pillars

*Multiple national and international household and agricultural datasets.*



### Households

- LSMS-ISA / GHS-Panel, NBS, WFP



### Markets

- NBS, CBN, FEWS NET



### Production & Processing

- FAOSTAT, FMARD, NBS

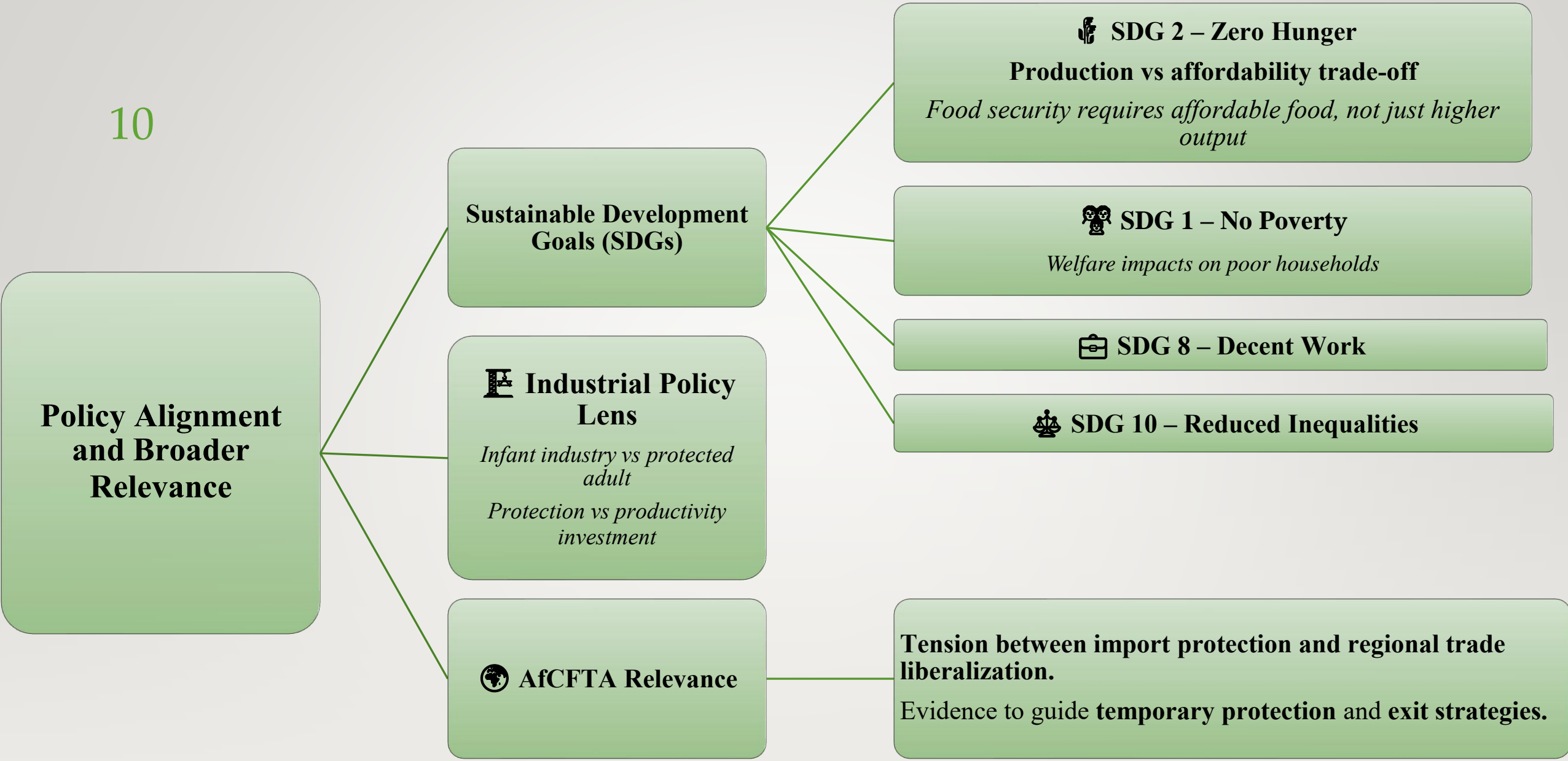


### Trade & Macro

- Customs, FAO, IMF



### Field Insights



11

## Policy-Relevant Evidence

*Shows how import protection affects production, prices, and trade integration; guides trade-offs between growth and food affordability*

## Distributional Insights

*Identifies who benefits and who bears costs (income groups, producers vs consumers); supports targeted interventions*

# Main Expected Contributions

## Methodological Contribution

*Applies quasi-experimental techniques to measure causal impacts; integrates household, firm, and market data*

## Strategic & Practical Impact

*Fills evidence gaps and informs national and regional policies (ECOWAS, AfCFTA)*

*“Actionable evidence to guide Nigeria’s trade, agriculture, and food security policy decisions.”*

12

## How You Can Support This Research

### **Data & Information Access:**

- Access to administrative, market, or trade data that can strengthen identification

### **Methodological partnership:**

- Collaboration with researchers specializing in quasi-experimental methods, price transmission, and household welfare to strengthen empirical rigor.

### **Policy and institutional engagement:**

- Engagement with key ministries, statistical agencies, and regulators to support data access and policy alignment.

### **Research support and scaling:**

- Guidance on funding windows or joint research programs to support data acquisition, research assistance, and policy dissemination.

A top-down view of a person's hands writing on a white card. The card is placed on a bright yellow surface. The text on the card is written in red, uppercase letters. To the right of the card is a small, green succulent in a white pot. The person's left hand is holding a gold pen, and their right hand is resting on the card. The background is a solid yellow color, and the overall scene is brightly lit.

**THANK YOU  
FOR YOUR  
ATTENTION**