**British Colonial Economic Policies and Oil Palm Plantations in Nigeria**

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**Abstract**

At the beginning of the 20th century, much of Nigeria areas were already under British colonial administration and as part of its economic policy, the government was concerned with how to increase the volume and quality of agricultural goods for export. This was also the period Nigeria became a leading producer of palm oil and kernel for the world market, and all the produce came from wild palms. However, under the economic policy of the colonial government, oil palm plantation system with its advantages and higher yield of oil, had no place in the agricultural development of the country. Attempts to establish oil palm plantations in Nigeria by William H. Lever (later Lord Leverhulme) and other investors were turned down by the Colonial Office. Meanwhile, the world shortage in fats and oils was particularly severe in European countries, because they consumed about 75 per cent of all the imported fats and oils in the pre-war era. The shortfall in international production and export of fats, oil and oilseeds became a significant factor in the colonial policies of plantation in the Nigerian oil palm industry during the post-war era. These factors, including the 1946 poor harvest and the severe winter of 1946–7 exacerbated Britain’s tenuous balance of trade position. The colonial policy towards investment in oil palm plantations began to change after the Second World War and demands were placed on colonial authorities in Nigeria to mobilise resources toward massive production of palm oil. One of the ways to achieve this was thought to be investment in plantation, in order to improve the Nigerian oil palm industry. The paper examines why British colonial economic policy before the Second World War discouraged and rejected the plantation system in the Nigerian oil palm industry, despite been a leading producer and at a time when British colonial policy encouraged plantation agriculture in East Africa and Malaysia. Similarly, the paper will examine why Britain changed the anti-plantation policy in Nigeria, especially after the War. This will be done through critical examination of relevant archival materials and extant literature.The Paper is of the view that the British colonial policies on oil palm plantations may have been influenced by the colonial administration’s belief rightly or wrongly that plantation system would be a failure and therefore economically ruinous to foreign investors. The colonial government opposed European-owned plantations, but pushed for indigenous plantations that would not put European capital in jeopardy.

**Introduction**

In Nigeria, oil palm flourishes wildly with many peasants involved in the collection, processing and marketing of its products for centuries. The bulk of the palm products were from individual homesteads scattered throughout the producing areas of Nigeria. Although, production was in the hands of small peasant farmers, using traditional methods, it was directed towards exports, controlled by foreign firms. While Nigerians owned the oil palm, Europeans controlled the export trade with the assistance of Nigerian ‘agents’ or ‘factor’. Despite its contribution to export, little was done by the colonialists to improve peasant production techniques in the oil palm industry, especially in the areas of oil mills and plantations.

Nigeria was the largest producer of palm oil and kernel for the world market at the beginning of the 20th century with all the produce coming from wild palms.[[1]](#footnote-1) Despite the position of Nigeria in global oil palm production, the first oil palm plantations were established in Sumatra and the Congo. This is because plantation palms extracted more oil than wild palms. These were sufficient reasons for the establishment of oil palm plantations, which would have yielded higher production, considering the advantage of existing palms in Nigeria, however, it was opposed by colonial policy. William H. Lever (later Lord Leverhulme) in 1907 made the first attempt at oil palm plantation in Nigeria when he applied for land for oil palm plantations, but was denied. He applied twice to establish oil palm plantations after the first attempt, but was denied.[[2]](#footnote-2) The rejections of these applications can be gleaned from the reluctance of the colonial authority to risk British capital on plantations that might not yield good returns as will be discussed later.

Policy change in the colonial anti-plantation scheme however became inevitable after the Second World War due to development in the imperialist circles. For example, world production of oil was still below pre-war levels despite overall increases in the production immediately after the Second World War. The shortfall in international production and export of fats, oil and oilseeds became a significant factor in the shift in colonial policy on plantation in the Nigerian oil palm industry during the post-war era. In March, 1948, the policy on the improvement of oil palm production was approved, and incorporated into the functions of the Eastern Region Production Development Board (ERPDB), which became operative in July, 1949.[[3]](#footnote-3) This also made the Colonial Primary Products Committee (CPPC) to review the possibility of increasing colonial production of oil palm through plantations.[[4]](#footnote-4) The paper will be organised around the following sub-headings: introduction, oil palm and export trade, anti-plantation colonial policy, changes in colonial and conclusion.

**Oil Palm and Export Trade**

Oil palm in Nigeria grows predominantly wildly in the coastal and riverine belts, covering approximately 70,000 square miles, especially in southern Nigeria.[[5]](#footnote-5) The wild oil palm usually in competition with surrounding vegetation, requires about 15 years to produce fruits in contrast with plantation-oil palm.[[6]](#footnote-6) While the wild palm at its full growth is about 40 Ft. from the ground, the plantation palm is about 15ft high.[[7]](#footnote-7) The difference between wild palm and plantation specie is that while the former has a relatively smaller oil bearing mesocarp compared to the latter.[[8]](#footnote-8) Another difference is that wild palm is harvested by cutting the ripe bunches after climbing with the aid of a rope, while the shorter plantation palm can be harvested with a harvesting hook from the ground.[[9]](#footnote-9) The products from oil palm are usually oil and kernel, used both domestically and industrially.

In Europe, palm oil was used majorly in industrial production as lubricants, for candles and soaps, as well as fluke in tinplate making.[[10]](#footnote-10) In about 1860, palm kernel, which was previously ignored, began to be exported to Europe due to its uses for the production of margarine and cattle fodder, and the development of new crushing techniques by Germany. Although, Britain was the major importer of palm oil, the bulk of the kernel trade was with Germany. This may have accounted for the 41% of palm oil and 13% of kernel in British-Nigerian exports by value in 1900.[[11]](#footnote-11) The value of trade in palm oil began to experience temporary decline due to the development of substitutes to palm oil in the metropoles towards the end of the nineteenth century. The development of gas and electricity, and the use of zinc chloride as flux in manufacturing tinplate rather than palm produce, among other reasons reduced the demand for palm oil in European markets.[[12]](#footnote-12)

In Nigeria, palm oil is an important part of the dietary, used for cooking local dishes and sauces as well as recipe for some traditional medicines.[[13]](#footnote-13) The preponderant use of palm oil for cooking in Nigeria is largely due to lack of alternatives such as animal fats widely consumed in Europe.[[14]](#footnote-14) Therefore, long before colonialism, palm oil had veritable domestic market in all the Nigeria area, including the non-palm oil producing core northern region. Scott estimated that the size of the internal market was between 35 and 50 per cent.[[15]](#footnote-15) However, the report by the colonial mission on the production of vegetable oils and oilseeds in West Africa estimated that the domestic market for palm oil was about 66 per cent between 1936 and 1945.[[16]](#footnote-16)

**Table 1. Palm oil production in Nigeria 1936-45**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Season | Consumed locally | Exported | Total prod. | %Consumed locally | %Exported |
| 1936-37 | 285 | 163 | 448 | 63.6 | 36.4 |
| 1937-38 | 277 | 132 | 409 | 67.7 | 32.3 |
| 1938-39 | 256 | 123 | 379 | 67.5 | 32.5 |
| 1939-40 | 298 | 158 | 456 | 65.3 | 34.7 |
| 1940-41 | 207 | 142 | 349 | 59.3 | 40.7 |
| 1941-42 | 311 | 148 | 459 | 67.7 | 32.3 |
| 1942-43 | 276 | 154 | 430 | 64.1 | 35.9 |
| 1943-44 | 305 | 135 | 440 | 69.3 | 30.7 |
| 1944-45 | 288 | 139 | 427 | 67.7 | 32.6 |
| 1945-46 | 267 | 110 | 377 | 70.8 | 29.2 |
| Total | 2770 | 1404 | 4174 | - | - |
| Average | 277 | 140.4 | 417.4 | 66.3 | 33.7 |

Allister E. Hinds, ‘Government Policy and the Nigerian Palm Oil Export Industry, 1939-49’, *Journal of African History*, Vol.38, No.3 (1997), p.460

Palm oil trade was carried out on a small scale between England and Nigerian people as early as the 1500s.[[17]](#footnote-17) However, large-scale commercial production and export began in the 19th century through the commercial interest of Britain. Palm oil trade on commercial scale between Britain and West Africa, especially Nigeria, began between the 1820s and 1830s. Palm oil continued to dominate Britain’s major import commodity trade from the region up till the end of the 19th century. In 1800, Britain imported about 223 tons of palm oil and by 1850, import rose to 21,723 tons, most of which came from the Niger Delta of Nigeria. Between 1854 and 1856 when prices reached their peak, the Liverpool price for palm oil was about £50 per ton and the Bonny price about £19 per ton.[[18]](#footnote-18)

Between 1909 and 1913, oil palm products accounted for 92 per cent of Nigeria’s total exports and 57 per cent by 1922. The 1922 figure was an indication of the deterioration of the value of Nigeria’s oil palm products in world market at a time that palm products rose by 20 per cent above the years between 1909 and 1913 levels. In fact, West Africa's share of world exports had fallen from 83 per cent to 73 per cent, and Nigeria's share from 61 per cent to 54 per cent.[[19]](#footnote-19) The increase in the global palm products was attributed to the oil palm plantations system in the Belgian Congo and the Dutch East Indies, which was equally responsible in the falling fortune of Nigerian oil palm industry in the global market. Despite linking the declining of Nigeria’s oil palm to the absence of plantation system, the colonial government did not show interest in the capitalist system to improve palm production.

**TABLE 2: World Exports of Palm Oil, Selected Years, 1923-1965**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Country** | **1923** | **1937** | **1959** | **1965** |  |
| Nigeria | 128 | 146 | 184 | 156 |  |
| Indonesia | 07 | 194 | 102 | 123 |  |
| Congo | 16 | 68 | 181 | 79 |  |
| Malaya | 00 | 43 | 77 | 138 |  |
| Others | 40 | 45 | 41 | 27 |  |
| **Total** | **191** | **496** | **585** | **523** |  |

P. Kilby, *The Nigerian Oil Palm Industry*, (Stamford, University Press, 1967), p.178

In 1937, despite the decline in the terms of trade, 146,000 tons of palm oil worth £2.4 million and 338,000 tons of palm kernel worth £3.6 were exported from Nigeria.[[20]](#footnote-20) In 1955, 182,000 tons of palm oil valued at £32.4 million and 433,000 tons of palm kernels valued at £19.2 million were exported.[[21]](#footnote-21) While palm oil export showed increase in production and value, palm kernel export indicated decrease in 1955, probably due to the importance attached to both products in Europe. In 1960, export earnings from palm oil and kernel accounted for £40.1 million, a situation that showed the declining fortune of these products.[[22]](#footnote-22)

**Anti-Plantation Policy**

The colonial economic policy in Nigeria as elsewhere was directed at producing crops for exports without necessarily putting financial burden on British tax payers and at the same time increasing government revenue. Despite the policy to increase production and by extension government revenue, plantation system in the oil palm industry was not supported by the colonial authorities in achieving this economic objective. From the beginning of the colonial enterprise in Nigeria, the government claimed that the policy against palm plantation, despite its advantages was not directed at jeopardizing Nigeria’s economic growth.

The colonial government defended its anti-plantation policy on the ground that it was meant to protect the peasants and their lands against the consequences of foreign capital. This was demonstrated in the acting British High Commissioner’s handling of the applications by Mr. Bleasby, the African Association, and Messers Miller Brothers for rubber concession in Benin Province in 1898.[[23]](#footnote-23) The acting High Commissioner was of the opinion that the local farmers must be protected against foreign concessions that would not benefit the people and leave them poorer. This position was upheld by the High Commissioner, Sir Ralph Moor, who declared that peasants must be allowed to produce their crops in their own ways without interruption from western capital.[[24]](#footnote-24) This policy was sustained by Moor’s successors. In particular, Sir Hugh Clifford, the governor of Nigeria between 1919 and 1925 strengthened the anti-plantation policy on economic, social, and political grounds, despite the technical advantages of the system, which he pointed out had often been exaggerated by its proponents.[[25]](#footnote-25)

A critical examination of this anti-plantation policy by the different colonial governors, would appear the colonial mandate was social and not capitalist, hence determined to protect the same people they were expected to exploit. Governor Clifford was of the opinion that the peasant farmers were inefficient producers with low yields, a situation that must have influenced the anti-plantation policy.[[26]](#footnote-26) In the event of a plantation system, it was this class of so called ‘inefficient producers’ that would have provided the labour for the scheme. It can therefore be argued that the colonial authorities were not sure of the success of a plantation scheme, which labour would be provided by peasants deemed to be inefficient, hence the opposition to the system. It is therefore difficult to view the anti-plantation policy from the prism of protecting Nigeria’s interest rather than foreign capital, which was the basis of colonialism.

The colonial administration also believed that peasant farmers were more amenable to price fluctuations than foreign investors in the case of economic failure. The government was therefore not ready to expose European planters to the risk of tropical plantations, especially when there were already avalanche of uncultivated oil palm.[[27]](#footnote-27) The government rightly argued that plantation was an ‘economic agglomeration’ for profit maximization, which would leave the European worse off and fleeing back to Europe in the event of failure, while the peasant could go back to his farm.[[28]](#footnote-28) This was in tandem with the British economic policy in Tropical Africa, which the colonial government now sought to defend despite other claims by the same government. British economic interests were crucial in the Nigerian oil palm industry. This was validated in the non-implementation of anti-plantation policy in East Africa, where Europeans were allowed to invest in plantations because the climate suited the European settlers who were even antagonistic to the indigenous people.

It appeared that the colonial government was content with the Nigerian peasant farmer success in the oil palm industry, thereby making it unnecessary to adopt the plantation system. From the beginning of palm oil exports in Nigeria, wild palms were harvested and processed by the peasants at a time Nigeria was the largest producer for the world market. The first palm plantations in Sumatra exported only 3000 tons, representing about one-fortieth of the total tonnage of palm oil exported from Nigeria before the First World War. However, 13 years later, Sumatra’s exported 172,390 tons of palm oil, when its plantations were fully developed, hereby exceeding Nigeria’s export by 8000 tons in the same year.[[29]](#footnote-29) The success of Sumatra in oil palm production was attributed to its adoption of plantation system, which extracted about 95 per cent of oil compared to about 50 per cent from the wild palm.[[30]](#footnote-30) In addition, cultivated palms had a higher yield of oil than wild palms. The argument for the establishment of oil palm plantation in Nigeria therefore has merit, but imperial policy was opposed to it.

**TABLE 3: African-owned Plantations**

|  |  |  |
| --- | --- | --- |
| **Year** | **Total no. of Owners** | **Acres** |
| 1928 | 6 | 21 |
| 1929 | 27 | 119 |
| 1930 | 53 | 236 |
| 1931 | 85 | 352 |
| 1932 | 218 | 691 |
| 1933 | 382 | 1,014 |
| 1934 | 704 | 1,457 |
| 1935 | 1,382 | 2,498 |
| 1936 | 2,287 | 4,172 |
| 1937 | 3,557 | 6,588 |
| 1938 | 4,667 | 8,730 |
| 1939 | 5,602 | 10,551 |

D. Meredith, ‘Government and the Decline of the Nigerian Oil-Palm Export Industry, 1919–1939’, *Journal of African History*, 25, 3, (1984), p.320

The first attempt at oil palm plantation in Nigeria was made in 1907, when Lord Leverhulme applied to the Colonial Office to secure the right to acquire land for oil palm plantations, but this was turned down. The application to the Colonial Office in 1907 by Lord Leverhulme for land on which to establish oil palm plantation was not approved by the British colonial authorities, because it was not in the calculation of the colonial authorities to permit foreign investment in plantation economy, which was deemed risky.[[31]](#footnote-31) Hence, despite the strong desire of Britain to take advantage of colonial resources for metropolitan needs, it was not ready to risk foreign capital in the Nigerian oil palm industry by establishing plantations. Therefore, it was the position of the colonialists that peasant and not capitalist production should hold sway in the Nigerian oil palm industry. This policy made Lord Leverhulme turn to the Belgian Congo where he was given concessions to establish five plantations of oil palm in the Congo.

The need to revamp the economy of Britain after the First World War made the Empire Resources Development Committee in 1920 to order the massive exploitations of West African resources, including oil palm products in order to increase national income. This directive provided Lord Leverhulme another opportunity to apply for the establishment of oil palm plantation in Nigeria, which was turned down.[[32]](#footnote-32) By 1925, the Nigerian oil palm industry began to be threatened by the competitions from the plantation-based oil palm industries in Sumatra and Congo with consequence on the economy, and Lord Leverhulme used the prevailing economic realities to reapply for the establishment of plantation. the application, which was the third and last, and included freehold concessions for oil palm plantation, guaranteed labour and rights to fruits from the peasants, was turned down like the previous ones, despite the near end of Nigeria’s monopoly of world oil palm production due to competitions from plantation palms as mentioned above.[[33]](#footnote-33)

The anti-plantation policy of the imperial power, characterized by lack of support for long lease of land for oil-palm plantation by foreign investors was blamed on the slow development in oil palm-processing.[[34]](#footnote-34) Investment in oil palm plantation by European firms without land concession among others, was regarded as risky for European capital. This was against the background that Lever Brothers’ oil palm plantations in the Belgian Congo was already producing about 16,000 tons of oil and 9,000 tons of kernels per year in the 1920s.[[35]](#footnote-35) Therefore, investment in Nigerian oil palm plantation without land at a time that Lever’s £3 million investment on oil palm plantation in Belgian Congo was already yielding good result, was not seen as economically viable for British capital.[[36]](#footnote-36) Although, the absence of land was used as part of the reasons applications for European plantations were not approved, there was no land hunger in Nigeria to support the land question. It is more plausible to argue that the abundance of existing oil palm in Nigeria made plantation farming unnecessary and unprofitable for European investors in the oil palm industry.[[37]](#footnote-37) The improvement of the existing oil palm rather than European plantations appeared to fit into the thinking of the colonial power.

The joint West African Committee of the Liverpool, London and Manchester Chambers of Commerce set up by the Colonial Office on the improvement of Nigerian oil palm suggested that the Nigerian oil palm industry would no doubt benefit from the advantages of plantation.[[38]](#footnote-38) The Colonial Office rejected the suggestion for the establishment of plantation by the committee with the argument that investment on plantation would not yield immediate returns.[[39]](#footnote-39) The argument against plantation by the colonial authorities can be gleaned from the fear that the scheme might not be profitable, partly because of the competition from existing palm groves. The fear that European-type oil palm plantation economy may not be profitable was rooted in some cases of failed attempts at oil palm plantations. For example, the Ibadan Moor Plantation established in 1921 failed, as the fruit yields were poor. Similarly, despite the huge investment of the UAC oil palm plantation at Ndian, the yields were not comparable to those of the East Indies.[[40]](#footnote-40) From a general perspective, judging from the yield of fruits and trees, plantation system in Nigeria was not a successful venture. This may have been due to Hopkins’ arguments that the plantations failed because European agricultural officers lacked the knowledge of tropical agriculture. This may have explained why peasant farmers succeeded in export crop production where capitalist plantations failed in colonial Nigeria.[[41]](#footnote-41)

According to the colonial authorities, the anti-plantation policy was meant to protect peasant farmers and their land against the exploitation of foreign capital. This was clearly indicated by Sir Hugh Clifford who as governor of Nigeria (1919–1925) in rejecting the plantation system claimed that the government would not want the economic, social and political lives of the people to be disrupted by the scheme.[[42]](#footnote-42) It would appear from the stated position of the colonial administration that the government was obliged to protecting the people against foreign capital, but this was contradictory to the principle of colonialism in Nigeria as laid down by Lord Lugard.[[43]](#footnote-43) The Nigerian situation cannot be different from that of East Africa, where the interests of the people received little or no attention from the British colonial administration as some of the foreign investors even became settlers. Despite the anti-European-owned plantations policy, European mill owners were granted lease of 99 years between 2,000–3,000 acres of land in 1927.[[44]](#footnote-44) However, a land lease of 99 years cannot be separated from profit motive, which is central to plantation policy as reflected in the government’s position.[[45]](#footnote-45)

This led to the establishment of small indigenous plantations in 1928. By 1935, the Cultivated Oil Palm Ordinance was enacted to give an official fillip to the plantation policy. Despite the development in indigenous-owned plantations, less than 10,551 acres owned individually by 5,602 peasant farmers were cultivated as at 1939. While Benin Province accounted for 61 per cent of the total acreage, Owerri accounted for 17 per cent, the remaining 22 per cent was shared among other oil producing Provinces.[[46]](#footnote-46) In 1939, palm oil exports from these plantations totaled 2,907 tons, representing 2.3 per cent of total oil exports, while wild groves produced 97.7 per cent of the total oil exported.[[47]](#footnote-47) There was therefore indication that indigenous plantations system was not encouraging. It was against this background that the Director of Agriculture in 1938 admitted that the Cultivated Oil Palm Ordinance could not stimulate oil palm plantation revolution.[[48]](#footnote-48) The push for indigenous plantations was therefore anchored on the need for increased production for British industries without necessarily putting European capital at risk.

The threat to the Nigerian oil palm industry was however acknowledged by the colonial authorities, but failed to approve the establishment of plantations, instead the government established demonstration plantations, where the peasants could learn and apply the good aspects of plantation system to their palm production. In 1928, the Department of Agriculture commenced the nursing of improved oil palm seedlings, which were distributed to the peasants for transplanting under the supervision of agricultural assistants.[[49]](#footnote-49) This was followed by the establishment of oil mills in Eastern Nigeria after the Second World War, which were used for the processing of fruits bought from the peasants. It was planned that the local plantations, which supplied fruits to the mills would produce relatively at the level of commercial plantations, but the results were not encouraging in view of the large acreage of land.

However, in the 1930s, the colonial anti-plantation policy was relaxed, which made it possible for oil palm plantations to be established. The first oil palm plantations of 6500 and 7000 acres were therefore established in Cowan near Sapele of Warri Province and Oil Palm Estate in Calabar Province.[[50]](#footnote-50) Attempts to follow the establishment of these plantations with more in Warri and Calabar Provinces were rejected by the government through conditions that were unrealistic to plantation system.[[51]](#footnote-51) In 1944, the United Africa Company, a subsidiary of the Unilever group proposed a tripartite commercial arrangement in the establishment of oil palm plantations, which was thought would be accepted by the government.[[52]](#footnote-52) The proposal was that capital and land should be provided and guaranteed by the government, while the peasants provide labour, which must also be guaranteed by the government. European investors were to provide the technical, managerial and commercial skills for the plantations. On the part of the United Africa Company, the proposal appeared plausible to be accepted by the colonial government, but the government failed to accept it on the ground that the proposal was not convincing enough.[[53]](#footnote-53)

**Changes in Colonial Policy**

The development of strategy for improving the Nigerian oil palm industry became inevitable due to some happenings in the imperialists’ economy after the Second World War. For example, world production of fats, oil and oilseeds in the early post World War II years was below pre-war levels, despite overall increases in production. The shortages of fats and oils were particularly severe in Europe, because about 75 per cent of all the imported fats and oils in the pre-war era was consumed in Europe.[[54]](#footnote-54) This development in international production and export of fats, oil and oilseeds became a significant factor in the direction of colonial policy on oil palm plantation during the post-war era in Nigeria. Similarly, the metropolitan economy experienced severe difficulty between the end of the war in 1945 and the first half of 1947 and Britain’s exports were only able to pay for half of its imports. These factors as well as the 1946 poor harvest and the severe winter of 1946–1947 exacerbated Britain’s tenuous balance of payments challenges.[[55]](#footnote-55)

All colonial territories, including Nigeria were therefore mandated to mobilise their primary resources, particularly palm oil, to assist Britain’s economic reconstruction during this period. Britain played important role during the Second World War in shaping the policy direction of the Nigerian palm oil export industry. The restrictions on the export of palm oil were abandoned following the Japanese victory over the Allied forces in the Far East in February, 1942. The Japanese victory eliminated from the world trade, Malaya, the Phillipines, Singapore and British North Borneo – major producers of fats and oils and triggered worldwide shortage. The situation made the Nigerian government to intensify the production of oil palm for export in March, 1943.[[56]](#footnote-56) In addition, the Nigeria Defence (Oil Palm Production) Regulations 2 of 1943 was used by the Deputy Controllers of Oil Palm Production to authorize the indiscriminate harvesting and processing of oil palm.[[57]](#footnote-57)

Based on the discussion between the Chief Secretary of the government and the Director of Agriculture, approval was given in March, 1948 for the improvement of oil palm production other than plantations.[[58]](#footnote-58) This was incorporated into the functions of the Eastern Region Production Development Board (ERPDB), which became operative in July, 1949 without the establishment of the European type plantations.[[59]](#footnote-59) Driven by imperial concerns in increasing palm oil export in order to alleviate worldwide or domestic shortages, the Colonial Primary Products Committee (CPPC) reviewed the possibility of increasing production through plantations.[[60]](#footnote-60) Following part of the changes in the postwar policy in the oil palm industry, the colonial government began to promote the establishment of plantations without involving foreign capital, but through farm settlement scheme.[[61]](#footnote-61)

The first oil palm plantation scheme was established at Kwa Falls near Calabar in 1948 for the purpose of resettling about 200 farming families in the Eastern Region. However, scheme was abandoned in 1955 due to lack of maintenance, non-compliance with Ministry of Agriculture’s advice and apathy towards the scheme by the settlers.[[62]](#footnote-62)The land was however converted to be nucleus of the first plantation of the Eastern Nigeria Development Corporation (ENDC). The scheme was devoid of foreign capital as mentioned earlier and lacking in true characteristics of a plantation. Therefore, what obtained was the replanting and rehabilitation of existing groves. The scheme, which was financed by the ENDC began in 1954 provided the following subsidies per acre: ‘*30s.* on felling and clearing unproductive wild palms, *30s.* on the planting of seedlings, *19s.* a year for four years of satisfactory maintenance’.[[63]](#footnote-63) In an attempt to encourage farmers on the maintenance of the plants, in 1956, ‘the second payment of *30s.* was divided into *15s.* on planting and *15s.* after the following dry season if plant losses were less than 10 per cent’.[[64]](#footnote-64) The scheme could not be said to be successful as less than 3,000 acres were rehabilitated in seven years.

Not until the 1950s, colonial policy was against oil palm plantations in Nigeria and any development towards plantation was not deliberate, but fortuitous. The first cabinet of indigenous politicians reversed the plantation policy of the colonial regime in 1952 in order to enhance development in the industry. The change led to the establishment of oil palm plantations in the palm belt zones of Nigeria. The success or otherwise of the plantation system is a subject of another discussion outside the scope of this paper, which will answer critical questions of were the local politicians interested in a policy change directed at countering colonialism policy or driven by economic development?

**Conclusion**

Developments in the Nigerian oil palm industry, like the colonial economy in most African countries, were structured and dictated in tandem with colonial policy. During the early period of this study, Nigeria was the leading producer and exporter of oil palm products to global market, mostly from wild palms. However, Malaya overtook Nigeria as leading producer of oil palm due to its plantation system, which was not allowed by the colonial authorities in Nigeria. The competition from the plantation-based production in the oil pam industry threatened Nigeria’s dominance in the industry. Despite the decline in the industry, the colonial government in Nigeria failed to adopt plantation system that would have increased production.

The need to protect the interests of the peasants as regard their social, economic and political lives was advanced by the government for the anti-plantation policy. The paper is however of the opinion that the policy against plantation was dictated by the unwillingness of the colonial government to risk British capital on oil palm plantation in Nigeria. This was because of the difficulty that European plantation might face in competing with existing uncultivated oil palm, considering the land and labour that would be required for the plantation.

From the position of the colonial government, it would appear that the anti-plantation policy confer moral obligation on the colonialists to protect the Nigerian peasants, opportunity and privileges they did not consider when establishing plantations in Malaya. Similarly, these obligations were not considered when Britain conquered Nigeria territories and brought them under their political and economic influence, which retarded the economic development of Nigeria long after independence. In fact, the decline of Nigeria’s oil palm industry can be gleaned from the colonial anti-plantation policy, which on the other hand gave Malaya advantage in the long run.

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