

# **Transformation of Agricultural Development Authority Palm (Adapalm) Oil Industry into Imo Oil Palm Industry, 2010 – 2015**

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## **ABSTRACT**

**T**his paper focuses on the transition of Agricultural Development Authority Palm (ADAPALM) Oil Industry to Imo oil Palm industry in Ohaji/Egbema Local Government Area of Imo State. The paper therefore discusses the establishment, objectives, performance and transition of the company as part of the Imo State government's effort to resuscitate the Company. The paper traces the historical development of ADAPALM. The paper analysed oral interviews and made use of published and unpublished works and attributes the establishment of ADAPALM to factors which include the pre-existing palm oil based economy in the area and the desire of the Government to address the decline of the agricultural sector by boosting the oil palm industry. The paper found out that the industry impacted on the host community in socio-economic dimensions like the provision of employment for members of the host community and the attraction of physical infrastructure to the area, among other benefits. However, factors such as obsolete machinery, corruption, mismanagement and other factors made

the company moribund. Thus, the Imo State Government had to lease the Company to a foreign firm, Roche Group and it was renamed Imo State Oil Palm Industry. Indeed, even under the Concessional Lease Agreement with Roche Group, Imo State Oil Palm Industry continued to decline and the lease was terminated. As a consequence, an Interim Management Committee was set up for the Company but this too did not help the Company as corruption and the persistent struggle for leadership amidst unpaid salaries have combined to suppress the efficiency and growth of the Company. The paper found out that over-bloated manpower, appointment of incompetent hands and mismanagement were the major challenges of the Company and these were the result of political, ethnic and social affiliations. The paper therefore suggests that the Government has to improve on how it runs the Company by demonstrating more commitment and political will so that ADAPALM Oil Industry can achieve its set goals.

### **Introduction**

The Agricultural Development Authority Palm Oil Industry (ADAPALM) was established in 1974 as a palm tree growing and palm oil processing factory by Dr. Micheal Okpara, then Premier of the defunct Eastern Region under the auspices of Agricultural Development Authority (ADA)<sup>107</sup>. The Company is located in Amafor in Ohaji – Egbema LGA of Imo State. The Company was established to generate revenue for the state through the production and marketing of palm oil and other palm produce in order to enhance the economic base of the state and give the host communities a sense of belonging among other objectives. Nigeria had been at the apex of the world palm produce market before an overall decline in the agricultural sector marked a corresponding decline in foreign exchange revenue and income from the oil palm industry, particularly in Eastern Nigeria. The

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<sup>107</sup> *“Presenting the ADAPALM Oil Palm Industry in Nigeria”,  
Published by the Public Relations Unit ADAPALM (Nigeria)  
Limited Ohaji, Owerri, Imo State Nigeria, 2005*

establishment of ADAPALM was therefore part of efforts to address the decline in the agricultural sector.<sup>108</sup>

However, part of the efforts towards reviving the agricultural sector in Eastern Nigeria in particular was the establishment of Agricultural Development Authorities (ADAs). ADAPALM Oil Company therefore started as a Farm Settlement Scheme and was incorporated in 1975, as a wholly government owned oil palm industry. The Company was inherited by the Imo State Government upon its creation in 1976 and operated as a subsidiary of the Agricultural Development Authority until 1979. The palm plantation occupies about 4,310 hectares of land (with a housing estate inclusive) and lies between Amafor and Egbema in Ohaji/Egbema Local Government Area of Imo State.<sup>109</sup> The responsibility of the Agricultural Development Authorities was to resuscitate rural agriculture and promote large scale agricultural productivity. Part of the objective was the modernization of the agricultural system in order to increase the volume and quality of produce centred on tree crop planting. In this regard, one of the efforts made by the Agricultural Development Authorities towards realizing their aim was the establishment of Experimental Farm Plantations. The Agricultural Development Authority Palm Oil Industry which was renamed Imo Oil palm Industry in 2011 was established in line with the objective of increasing the commercial value of oil palm in the region.

ADAPALM was funded partially with a seven million Naira loan from the Nigeria Agriculture Cooperative Bank (NACB) and by subvention from the State Government. Both the African Continental Bank Ltd and Merchant Bank (ICON Ltd) also assisted the Company with loans between 1980 and 1982

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<sup>108</sup> *"Presenting the ADAPALM Oil Palm Industry in Nigeria", Published by the Public Relations Unit ADAPALM (Nigeria) Limited Ohaji, Owerri, Imo State Nigeria, 2005*

<sup>109</sup> N. C. Nnaji, "An Appraisal of ADAPALM: A Rural Development Project at Ohaji and Umohu Mbaise" A Project Submitted to school of Environmental Studies, Imo State University, Owerri, 1987 p.18

respectively. "The Society Generale De Belgium provided credit for the foreign component of the Company's oil Mill at Ohaji while the Belgian company, S. A. and its Nigerian subsidiary, the Combined Industrial Agro Consultant ((CIACO) provided management and technical consultancy services"<sup>110</sup> Nigerian technicians, artisans and administrators were successfully trained by CIACO and by 1987, an indigene of Imo State took over the Executive Management of ADAPALM. The oil Mill with a milling capacity of 30 tonnes was commissioned in 1984. Other Mill branches at Omoju Mbaize, Mbausi (now in Abia State) which depend on small holder estates and wild grove for fruit with a milling capacity of 5 tonnes per hour were later installed.<sup>111</sup>

Traditional methods of oil palm processing dating back to the pre-colonial period had formed the backbone of the economy in Nigeria's South East. This laid the basis for modernization as during the 1950s and 1960s and 1970s, the then Michael Okpara administration of Eastern Region, decided to expand and modernise the palm industry in the region. The company was established to, generate revenue for the region through the production and marketing of palm oil and other palm products aimed at enhancing the economic base of the region and to give the host communities a sense of belonging. The establishment of ADAPALM Oil Company was founded on the need to expand production, modernise the production process and boost the proceeds from the oil palm in then Nigeria's Eastern Region.

The main motive of establishing the Company was to harness the vast oil palm resources of Nigeria's South – East Region and boost the economy of the area. It was also hinged on

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<sup>110</sup> N. C. Nnaji, "An Appraisal of ADAPALM: A Rural Development Project at Ohaji and Umohu Mbaize" A Project Submitted to school of Environmental Studies, Imo State University, Owerri, 1987 p.18

<sup>111</sup> N. C. Nnaji, "An Appraisal of ADAPALM: A Rural Development Project at Ohaji and Umohu Mbaize" A Project Submitted to school of Environmental Studies, Imo State University, Owerri, 1987 p.18

the fact that there is significant advantage in extracting palm oil through power driven mills compared to the traditional method of extraction more so as the extraction rate of the mills is much higher than the traditional method. Also, the oil extracted by the mill is of higher grade than traditionally produced oil hence, the value of machine – processed palm oil is higher when sold for export.<sup>112</sup> In this regard, there was the general expectation that the establishment of ADAPALM Oil Industry as a shift from the traditional method of palm oil and palm kernel oil extraction would transform the economy of the host community and bring about socio – economic changes in terms of employment, the provision of social amenities as well as other benefits to the host community and its environs.<sup>113</sup>

ADAPALM had begun to produce the desired impact in terms of socio economic benefits as the Company created employment, chains of other related economic activities, the production of raw materials for other industries and the attraction of infrastructure such as roads and boreholes. For instance, the people of Ohaji/Egbema Local Government Area provided 40% of the total workforce for ADAPALM while 10% of the work force was sourced from other parts of the State. This notwithstanding, the fortunes of the company began to dwindle and a plethora of factors combined to cause the decline of the Company.<sup>114</sup> Thus, as part of efforts to resuscitate the Company, the Imo State Government decided to lease the Company to Roche Group in 2011 and it was renamed Imo Palm Company. This paper therefore discusses the challenges of ADAPALM Oil

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<sup>112</sup> N. E. Attah The Emergence, Growth and Challenges of Oil Mills in Igalaland, 1951 – 1965, in *Benue Valley Journal of Humanities* Vol.9 Makurdi: Aboki Publishers 2017, p.184

<sup>113</sup> I. C. Onwueme and T. D. Sinha, *Field Crop Production in Tropical Africa*, Netherlands: Technical Centre for Agricultural and Rural Cooperation 1991, p.364

<sup>114</sup> B. Efuzozie, Afro-tourism.com/activity/Roche-Imo-oil-palm-plantation in *Business Day Newspaper* Dec.1 2014 p.7

Company which was incorporated on 9<sup>th</sup> May, 1975 and the dynamics of the transformation into Imo Oil Palm Industry.<sup>115</sup>

### **Development and Operational Activities of ADAPALM**

ADAPALM Oil Company began in 1953 as Ohaji Farm Settlement Scheme. It was one of the innovative Farm Settlements established by Dr. Micheal Okpara, then, Premier of the defunct Eastern Region under the auspices of Agricultural Development Authority (ADA).<sup>116</sup> The Farm Settlements were patterned after the famous Israeli Kibutz and were sited in five towns – Igbariam in Anambra State, Uzo-Uwani in Enugu State, Ulonna North and South in Abia State, Ohaji in Imo State and one located in Ebonyi State (which was not created then). At the end of the Nigerian Civil War, some of the farm settlements were remodeled, sold or privatized, while others were abandoned. The Ohaji Farm Settlement in Imo State was remodeled into a vast commercial oil palm plantation named ADAPALM Company. After the splitting of the East Central State in 1976, the ownership of the company was transferred to the Imo State government under the control of the Ministry of Agriculture and Natural Resources, Owerri. However, the planting of the palm trees were carried out under Ukpabi Asika in 1976 while the late civilian Governor of Imo State, Chief Samuel Mbakwe, set up the ADAPALM Mill in 1983.<sup>117</sup>

The Company initially began with the establishment of three high yield industrial oil palm estates in Imo State covering a total area of 20,000 hectares. Out of this, 4,310 hectares of high yielding palm estate was established at its Ohaji nucleus while a 6000 hectares oil palm estate was developed at Ukwu Local Government Area of the State. In addition to these sources, the

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<sup>115</sup> J. Kennedy Uzoma in *Daily Trust Newspapers*, August 7, 2012, P.4

<sup>116</sup> O. Njoku, *Economic History of Nigeria in the 19<sup>th</sup> and 20<sup>th</sup> Centuries*, Enugu: Magnate Business 2001, p.202.

<sup>117</sup> F. N. Igwezie "The Development of Oil Palm Industry in Igbo land" B. A. Project submitted to Department of History, Imo State University, Owerri 1999 p.50

Company was engaged in the purchase of Fresh Fruits Bunches (FFB) from the Company's Estate Small holding and wild palm fruits purchased from village farmers. The company had three processing Mills which were located at Ohaji, Mbawsi and Umuogo Mbaise. The Ohaji Mill had a processing capacity of 20,000 tonnes per hour while each of the mills at Mbawsi and Umuogo Mbaise had a processing capacity of 5,000 tonnes per hour.<sup>118</sup>

ADAPALM had 4,310 hectares of oil palm plantation planted between 1975 and 1978 while 20 hectares were planted in 1995. The products of the Company were the Special Palm Oil (SPO) and Palm Kernel. In the second phase of its development programme, a downstream industry for further processing of special palm oil and palm kernel was started in 1992 to increase the company's product line. The fruit collection system of the company was established in 1985 and became fully operational in the same year.<sup>10</sup> The main collection centre at Ohaji and Mbaise were served by field assistants located in the village centres in the state. The Department utilized specialized fruit collection trucks and other trucks on hire to the Company and these vehicles used to traverse the villages in the state collecting fruits from the small holder farmers who owned over 16,000 hectares of oil palm plantations. The products expected from the downstream industry included vegetable oil, laundry soap, glycerine, palm kernel cake and oil. The main objective of the Company was the development and management of oil palm plantations, and their allied products, and mechanical processing of fresh fruit bunches at its mills complex at Ohaji and Umuogu, Mbaise.<sup>119</sup>

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<sup>118</sup> *"Presenting the ADAPALM Oil Palm Industry in Nigeria",  
Published by the Public Relations Unit ADAPALM  
(Nigeria) Limited Ohaji, Owerri, Imo State Nigeria, 2005*

<sup>119</sup> F. N. Igwemezie "The Development of Oil Palm Industry in Igbo land" B. A. Project submitted to Department of History, Imo State University, Owerri 1999 p.50

The major activity of the Company therefore revolved around the production of palm and the processing of same into palm oil and other by products for sale. Thus, the organization of the company was tailored towards meeting these basic objectives. The organizational structure of ADAPALM Company was designed such that the Imo State Ministry of Agriculture and Natural Resources is at the apex of the organizational structure of ADAPALM industry and it serves as the link between the state government (which controls the shares in the industry) and the management of the company. The Ministry used to maintain the general policy liaison between the Board of the Company and the Government. The Board comes under the Ministry of Agriculture and Rural Development and consists of a Chairman, four Directors, a Representative of the Nigerian Agricultural and Co-operative Bank Ltd (NACB). The Board makes policy decisions for the Company and exercises general policy authority over the operations.<sup>120</sup>

The Executive Management headed by a General Manager / Chief Executive was responsible to the Board of the Industry for the day to day running of the organization. He oversaw the activities of the various Operational Departments which were eight in number. These were; the Estate Department which was headed by the Estate Manager, the Collection Department, Mill Building and Works, Finance and Accounts, Administration, Public Relations, Security Department as well as the Company Secretary who was also a Lawyer. The Departments were headed by professionals. The Company's activities were grouped under ten Operational Departments headed by qualified professionals. The Administrative Department which was headed by an Administrative Manager was responsible for coordinating the administrative and other ancillary activities of the Organization.

The Estate Department maintained and harvested the plantation and took care of the general maintenance and

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<sup>120</sup> J. Kennedy Uzoma in *Daily Trust Newspapers*, August 7, 2012  
P.4



sanitation of the nucleus and the environment. However, the Collection Department was responsible for the procurement of fresh fruit bunches from outside the Company Estate. The unit had a statewide organization which ensured the exploitation of the fresh fruit potentials of both privately developed Estates and forest palm groove. The fruit collection system also collected fruits from the wild grooves and private palm plantations.<sup>121</sup> Furthermore, the Milling Department headed by the Manager which were located at Ohaji and Mbaise processed fruit from the 4,310 hectares estate though the Mbaise Mill catered for the processing of fruit from the small holder estates and private farms within the locality. The Ohaji Mill had 200 – 3000 storage tanks while the Mbaise Mill had up to 150 tonnes storage capacity.<sup>122</sup> The Building and Works Department maintained the company's offices, accommodation facilities an warehouse while the Finance and Accounts took charge of all the Company's financial dealings and also attended to the monetary needs of the Company. The industry had a well – established training centre which conducted training programmes and seminars for the improvement of the manpower resources of the Company.

The marketing and sales policy of ADAPALM Company was directed at the promotion of sales of the products to ensure the achievement of the Company's operational objectives." To ensure this policy succeeded, the Company used to maintain a nationwide distribution network for its products.<sup>123</sup> According to Cecilia Onekeya,<sup>124</sup> who used to supply ADAPALM Company products for soap and vegetable oil producing companies, the products were also affordable. Cecilia also maintained that many customers

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<sup>121</sup> D. G. Ibe, Brief History of ADAPALM, Imo Government Printer, 2002, p.7

<sup>122</sup> J. Kennedy Uzoma in *Daily Trust Newspapers*, August 7, 2012 P.4

<sup>123</sup> F. N. Igwemezie "The Development of Oil Palm Industry in Igbo land" B. A. Project submitted to Department of History, Imo State University, Owerri 1999, p.50

<sup>124</sup> *Oral Interview: Cecilia Onekeya, 59yrs, interviewed in Owerri on 19/08/2020*

including Unilever and other vegetable oil industries maintained a close bond with the Company in order to sustain and ensure the consistent supplies of palm based raw materials from ADAPALM in order to sustain their production process. She also stressed that nothing indeed was a waste in the industry because apart from oil, palm kernels were cracked for sale, the cracked shells were sold to building contractors for construction work. The mash was sold to carpet making industries. It is therefore important to point out that the industry served as a focal trading centre for palm produce. It also served as a source of raw material source for various manufacturing industries in the country. As a matter of fact many manufacturing companies depended on ADAPALM's products for the manufacturing of soap, creams, candles, confectionery, margarine, vegetable oil, lubricants and metal polish etc"<sup>125</sup>

### **Challenges and Decline of ADAPALM Company**

Despite the fact that the ADAPALM Oil Company had an installed annual oil production capacity of 90,000 tonnes, its peak output revolved around 60,000 tonnes annually. By the 1990s, even this level of output began to drop mainly due to worn – out machinery. Poor management also contributed to a drop in production output, more so, as new machines were not procured. Most of the company's vehicles which were used for collecting palm bunches from farmers in the neighbourhood and the villages across the state had become unserviceable. As at February 2010, ADAPALM had 29 vehicles, consisting of light duty, heavy duty and earthmoving equipment/vehicles. Out of these, 22 were no longer operational while the remaining 7 were still in operation.<sup>126</sup> This brought the annual production output down to about 8,000 tonnes and by January 2010, the salary

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<sup>125</sup> N. C. Nnaji, "An Appraisal of ADAPALM: A Rural Development Project at Ohaji and Umohu Mbaize" A Project submitted to School of Environmental Studies, Imo State University, Qwerri 1987, p.18

<sup>126</sup> S. Uzoechi "ADAPALM: A Goldmine in Ruins" in *New Telegraph Newspapers* 19<sup>th</sup> September, 2016

arrears of the Company had piled up to take the Company's debt profile to about N168 million.<sup>127</sup>

As at 2007, the two Mills operated by the Company at Umuogu and Ohaji were grounded and out of operation for eighteen (18) months. The two boilers at Umuogu Mills were also in bad shape. The pressing machines were worn out and grossly inefficient. Its clarification, steam turbines, tractors, forklifts and water supply equipment were all bad and obsolete. It was the same story at Ohaji Mills, which was eventually shut down in August 2009. The Company had two Plantations – the Ohaji Plantation and Umuogu Plantation. As at February 10, 2010, the Ohaji Plantation had no motorable access roads. Its palms were not pruned and about 65 per cent of the plantation was taken over by thick bushes. Replanting activities to sustain the plantation's future and fortunes had also ceased. In fact, a nursery of improved variety of palm seedlings imported from Costa Rica since 2012 remained abandoned. The imported seedlings, which bear fruit in two years, should have been the replacement stock for some of the aging palm trees in the plantation but was left overgrown by weeds.<sup>128</sup>

The large portions of land acquired by the Company left some indigenes of Ohaji with limited land for farming and other uses. This made many indigenes to antagonize the Company by demanding for more concessions from the Company. This was exacerbated by the pollution caused by the operations of the company. Another major challenge that led to the decline of ADAPALM was the fact that successive administrations, especially during the military era, had abandoned the Company to the extent that it was mismanaged and its facilities "cannibalized".

The Company resorted to trim down the workforce because it felt most of the staff were not needed. However, the indigenous workers of the company also felt that they were not

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<sup>127</sup> Okwu Don. "Focus on ADAPALM" in *Punch Newspapers*, 21/10/2003, p.11

<sup>128</sup> Okwu Don. "Focus on ADAPALM" in *Punch Newspapers*, 21/10/2003, p.11

treated well. They insisted on the 1975 lease agreement entered into with the host communities which spelt out the position of the landlord as having Right of First Refusal in an event of concession. As at February 10, 2010 the Ohaji Plantation had no motorable access road. According to Boniface Uwakwe<sup>129</sup> the challenges faced by ADAPALM were not peculiar as the other large-scale palm estate in the State, Camela Palm Oil Company, owned by Chief Okey Ikoro, which was located at Industrial Layout, Onitsha Road, Owerri had also faced similar challenges.

### **Transformation of ADAPALM into Imo Palm Oil Industry, 2011 - 2015**

In 2011, the Imo State Government decided to lease ADAPALM Oil Company to a foreign firm, Roche Group.<sup>130</sup> The Company did not only face the challenges from indigenes but also within the industry. From poor administration to corruption and the nonchalant attitude of workers arising from inconsistent payment of salaries, the fortunes of the company started dwindling. At a point, the host communities under ADAPALM Landlords Association staged a protest blocking the entrance to the Imo State Government House. The declining state of the Company had badly affected their income as landlords especially as 400 workers had been sent home for over a year without salaries.<sup>131</sup>

The Concession Agreement with Roche group had been carried out during the tenure of Governor Rochas Okorocha and the government had declared that the group was the best on the continent to manage the oil palm company. The Government had also claimed that under the management of Roche, the oil mills generated two billion Naira for the State. Under the State's

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<sup>129</sup> *Oral Interview: Boniface Uwakwe 72yrs, Civil Servant (Rtd) interviewed at Ohaji on 03/02/2019*

<sup>130</sup> Okwu Don. "Focus on ADAPALM" in *Punch Newspapers*, 21/10/2003, p.11

<sup>131</sup> Okwu Don. "Focus on ADAPALM" in *Punch Newspapers*, 21/10/2003, p.11

agriculture policy, every family in the 367 Autonomous Communities in the State were expected to plant at least a palm tree, while over one million seedlings were distributed free to flag-off the policy. Governor Okorocha had also promised to disburse a total of N3.6bn at N10m per community, in the attempt to diversify the economy but the promised was not fulfilled.<sup>132</sup>

Roche Group could not revamp the Company as it continued to perform below average and at a point, the management headquarters of Imo Palm Plantation was vandalized. Most of the facilities at the Company were affected. The General Manager's Office, Administrative Office, Accounts Auditor's Office, the Police Post, Workshop and residential quarters for top management staff. Power and water supply to the company had also ceased due to uncleared bills and inability to service the backup power plants. It was alleged that the struggle for supremacy by the Interim Management Committee had grounded the Company. It was also pointed out that even after the tenure of the Committee had elapsed their Chairmen continued running the establishment as if it were a private enterprise.<sup>133</sup>

Corruption and poor management also significantly contributed to the decline of Imo Oil Palm Industry. According to Stanley Uzoaru<sup>134</sup> the Interim Chairmen at Imo Palm Plantation were known to evade meetings with other members of the Committees and their operations were shrouded in top secrecy. In this regard, the Committee members and staff grumbled and were embittered that the Chairman as custodian of all revenues generated, by the Company did not pay in any money as proceeds of sales of palm fruits since taking over the establishment,

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<sup>132</sup> Stanley Uzoaru, "Adapalm: Return of Imo Goldmine"  
*Daily Sun Newspapers*, 08/07//2020

<sup>133</sup> Oral Interview: Ajuru Nnamani, 65 yrs, Former  
Operational Manager at ADAPALM, interviewed at Ohaji  
on 04/09/2019

<sup>134</sup> Stanley Uzoaru, "Adapalm: Return of Imo Goldmine"  
*Daily Sun Newspapers*, 08/07//2020

contrary to the widely brandished Treasury Single Accounts (TSA) domiciled in Imo state. Even as there is a standing rule that buyers of the palm fruits should pay into the banks and use their tellers to take delivery of goods upon presentation at the company premises. However, in a bid to circumvent accountability, the Chairman allegedly opened a private account while advising customers to pay into the account before taking delivery of goods.<sup>135</sup>

It was also alleged that the Chairman clandestinely stationed a select number of staff to collect cash for him and pay into the private account. To hide the suspicious transactions from the prying eyes of other members of the Interim Committee, the Oil Palm Industry Chairman, conspired with the Head of Commercial Department and one other staff to sell fresh palm fruits bunches in trucks at N450,000.00 per truck, while a bunch of palm fruits goes for N270.00 which consumers complained to be exploitative, outrageous and unaffordable to the common man. In a week alone, fresh palm fruits harvested from the estate, were estimated to generate at least ten (10) truck loads that were sold to willing buyers, even at such exorbitant costs. One of the residents near Imo Oil Palm Plantation Industry said there were insinuations that among staff that, a top appointee of the Imo State Government was supportive of this obvious non-implementation of TSA at Imo Oil Palm Plantation Industry Estate, Ohaji, and served as cover and security for the IMC Chairman.<sup>136</sup>

The General Manager of Imo Oil Palm Plantation Industry, Chief Goody Esom Obodo,<sup>137</sup> had disclosed that the State Government was yet to inject funds to reinvigorate the oil palm milling industry in the State. According to the General Manager,

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<sup>135</sup> Stanley Uzoaru, "Adapalm: Return of Imo Goldmine"  
*Daily Sun Newspapers*. 08/07//2020

<sup>136</sup> Stanley Uzoaru, "Adapalm: Return of Imo Goldmine"  
*Daily Sun Newspapers*, 08/07//2020

<sup>137</sup> Stanley Uzoaru, "Adapalm: Return of Imo Goldmine"  
*Daily Sun Newspapers*, 08/07//2020

he had neither received any allocation nor subvention from the government to run the affairs of the establishment, except money for the payment of salaries of staff.<sup>138</sup> The General Manager had told members of Niger Delta Media Forum (NDMF) during a media interaction in his office at the Company that the funds generated from the industry were used for the day to day maintenance of the place. While he identified funding as a major challenge already bedevilling the success of the industry, the General Manager pointed out the need for the establishment of a new mill with the required production capacity of 30 turns and above per hour.

The General Manager declared that for Imo Oil Palm Industry to be revived, the major oil palm source of the Company such as the Plantation and the Mill had to be reconsidered. The General Manager also revealed that the Management planned to uproot all the abandoned palms at the nucleus Roche Group.<sup>139</sup> According to the General Manager, the Nursery Palms were not well nurtured and abandoned and could not be used to replace the ageing palms. The General Manager also dismissed allegations that part of the palm plantation owned by Imo Oil Palm Industry had been taken away by the host communities.<sup>140</sup> The General Manager conceded that the problem with the plantation had to do with poachers, which he maintained that the Management was already dealing with in line with the security structure put in place. As at 2010, only one sector of Imo Oil Palm Industry was still functioning and this was the oil mill. When in full-scale production, it was expected that eight products would be produced in the value chain but this had become a mirage.

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<sup>138</sup> Stanley Uzoaru, "Adapalm: Return of Imo Goldmine" *Daily Sun Newspapers*, 08/07//2020

<sup>139</sup> C. C. Okolo et al, "The oil palm (*elaeis guineensis* jacq): Nature's Ecological Endowment to Eastern Nigeria" in *Agro-Science Journal of Tropical Agriculture, Food, Environment and Extension* Volume 18 Number 3 (September 2019) pp. 48-57

<sup>140</sup> Stanley Uzoaru, "ADAPALM: Return of Imo Goldmine" *Daily Sun Newspaper* 08/07//2020

The Imo Oil Palm Industry had declined to the point that it was producing just five tons of crude palm oil daily before Governor Hope Uzodinma's intervention increased the output to 40 tons per day. Also, the short-lived administration of Governor Emeka Ihedioha had to inject some life into company with promises to revamp the company. His successor, Hope Uzodinma, also pledged to bridge the deficit by revamping Imo Oil Palm Industry as a major revenue earner for the state and results in this regard had started to manifest as the company started to produce about 120 tons of crude palm oil (CPO) monthly. Uzodinma said government was committed to bringing back the Company to help the State survive the global economic downturn caused by the Corona Virus pandemic:

The Uzodinma administration believed that the Imo Oil Palm Plantation Industry would raise the Internally Generated Revenue of the State, and the Company on its own as a value chain could produce not only palm oil but also other oil-related products like margarine, shea butter, and palm kernel oil, among others. According to Charles Ogugbuaja, Governor Uzodinma observed that Government was keen on expanding the Company because of the potential 35,000 jobs that could be created, explaining that the state could earn about N3 billion turnover once the firm was fully revived.<sup>141</sup> The Governor also appointed an indigene of the area, Goddy Esom Obodo, as Acting General Manager. The General Manager projected that the State would realise at least N15 billion annually, if all the machines were in good condition and operated optimally<sup>142</sup>: He was quoted as saying, "Imo may soon no longer depend on federal allocation. If things go normal, and could realize N500 million monthly translating to about N15 billion in a year. The Imo State

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<sup>141</sup> Charles Ogugbuaja "CBN Partners Imo Government to Boost Oil Palm Production" *The Guardian Newspapers*, 03/08/2020

<sup>142</sup> Charles Ogugbuaja "CBN Partners Imo Government to Boost Oil Palm Production" *The Guardian Newspapers*, 03/08/2020



Government had also commenced discussions with the Central Bank of Nigeria (CBN) for a N52 billion loan to be channeled into Imo Oil Palm Industry' The General Manager of the Company was also quoted to have explained that the loan would help the Government establish more plantations in the three zones of Imo. According to Charles Ogugbuaja, there were also plans to replace the Mills with modern mills and increase the capacity of the oil production by the Company.<sup>143</sup>

## **Conclusion**

This paper has shown that the Agricultural Development Authority Palm Oil Industry (ADAPALM) emerged from pre-existing wild oil palm trees which were important to the economy of South-Eastern Nigeria since the precolonial period. It has also been shown here how concerted efforts led to the establishment of Agricultural Development Authority Palm Oil Industry (ADAPALM) in Amafor, Ohaji/Egbema LGA of Imo State. It has further been shown clearly that ADAPALM was founded due to the need to expand production, modernise the oil palm production process and boost the proceeds from the oil palm industry in then Nigeria's Eastern Region. The activities of the Company revolved around the production of palm and the processing of same into palm oil and other by products for sale. Depite the fact that the Company impacted on the socio – economic development of Ohaji / Egbema LGA and beyond, the challenges of the Company tended to overwhelm it as is characteristic of public owned companies in Nigeria as neglect, mismanagement and lack of funds were identified as some of the reasons the full potentials of the industry could not be harnessed, necessitating the leasing to Roche Group. Even under the Concession Lease Agreement with Roche Group, the Imo Oil Palm Industry continued to decline and the lease was terminated. Interim management committees have continued to be set up for the Company but these too have not helped the Company as corruption, persistent struggle for leadership amid unpaid

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<sup>143</sup> Stanley Uzoaru, "ADAPALM: Return of Imo Goldmine"  
*Daily Sun Newspapers*, 08/07//2020

salaries have combined to suppress the efficiency and growth of the Company. It would therefore be important for a change of orientation in the way government companies are run. Quite often, the over-bloated manpower, appointment of incompetent hands and mismanagement of these companies arises from political, ethnic and social affiliations which jettison merit. These negative attributes therefore have to be discarded and more commitment and a demonstration of political will on the part of government needs to be imbibed for companies like Imo Oil Palm Industry to thrive to achieve its set objectives.