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Effects of Agricultural Sector Reforms on the Performance of some Quoted Agric-Based Companies on Nigerian Stock Exchange

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ABSTRACT

The study was focused on the effects of Agricultural sector reforms on the performance of some quoted Agric-based companies on the Nigerian Stock Exchange (1993-2007). The variables of the study were measured and analyzed statistically using financial ratios such as Return on Equity (ROE), Average Price/Stock Price per Share, Earnings Yield, Dividend Yield, Price-Earnings Ratio, etc. These helped to ascertain the financial conditions of the firms and regression analysis was used to capture the performance of the Agric-based companies with regards to the reforms in the Agricultural Sector in Nigeria. Cobb-Douglas explicit functional model was selected as the lead equation based on econometric, economics and statistical criteria. The results showed the significance of price earnings ratio, net assets per share, dividend yields as well as the dummy variables for Okomu Oil Palm Plc and the results further reflected that the reforms during the periods under review has significantly stimulated the market and operational performance of Okomu Oil Palm Plc and Nestle Nigeria Plc. Based on some indicators; it was shown that these companies has made considerable progress over time.

Keywords: Agric-Based; Nigerian government; Policy; Reform; Stock exchange

INTRODUCTION

Olomola (2007) opined that the neglect of the Agricultural sector upon the advent of oil has confirmed to take its toll on the Nigerian economy. Government's low budget provision at every fiscal year has made it more worrisome. Hence, Agriculture which used to be the mainstay of the Nigerian Economy has been relegated to the backstage. Agriculture is Nigeria's second-largest source of national wealth, after oil. Despite the dominant role of the petroleum sector as the major foreign exchange earner, agriculture remains the mainstay of the economy. In addition to contributing the largest share of Gross Domestic Product (GDP), it is the largest non-oil export sector earner, the largest employer of labour, and a key contributor to wealth creation and poverty alleviation, as a large percentage of the population derives its income from agriculture and related activities. Agricultural sector, one of the sources of economic growth, is looked unto to pave the way for economic development since it has the potentials of generating employment opportunities, alleviating food insecurity, encouraging agro-industrialization and improving entrepreneurship through capacity building. The realization of this fact led Nigerian government to embark on several agricultural development programmes, many of which, unfortunately, failed (Manyong *et al*, 2005 and Ogungbile, 2008).

However, over the years, the rate of growth in agricultural production has stagnated, and failed to keep pace with the needs of a rapid growing population, resulting in a progressive rise in import bills for food and industrial raw materials. The potentials of the agri-business sector as a major employer of the growing labour force and earner of foreign exchange have also been undermined.

Given the dominant role of agriculture in the economy, prospects for food security, supply of industrial raw materials and overall economic growth are critically dependent on what happens in this sector. Jacques (2004) quoted the Greek philosopher - Xenophon who said: "Agriculture is the mother of all arts. When it is well conducted all other arts prosper. When it is neglected, all other arts decline. "Also, quoting Jawaharlal Nehru-India's first post-colonial Prime Minister who remarked as follows: "Everything else can wait but not agriculture."

The role of agricultural sector contributing to economic development depends not only in creating a conducive financial environment for the farming community alone but also an attempt must be extended to develop conditions that will enhance the growth of the Agro-industrial sector as well as food and beverages sector which takes on the excess that is not immediately consumed. The growth of these depends to a large extent on access to finance which can be derived from a variety of sources, especially, from the equity share sold on the Stock Exchange (Yazdani, 2008).

The role of the Nigerian government in agriculture is predicted on the prevailing socio-economic conditions of the Nigerian Society, particularly at independence. The conditions generally made state intervention inevitable. For instance, agriculture provided nearly two-thirds of government's revenue and foreign exchange earnings in the 1960s (Haggblade, 2005). Also, about 70 percent of the population lived on agriculture for household income and employment. However, the agricultural sector was characterized by little growth of output per capita, low productivity, pervasive illiteracy, static and poorly developed institutions, restrictive markets and unprogressive policy stance or policy inconsistency. The government was unable to ignore these challenges and saw agriculture as the fulcrum ground which the entire national socio-economic development should revolve. Consequently, agriculture was perceived as having a significant role to play in the development process and government intervention was seen as desirable (Haggblade, 2005).

Bello (2007) examined the agricultural sector and its constraints, actions taken to address these constraints, key policy thrusts and directions, strategies adopted to implement the policy actions; ongoing programmes, successes recorded so far, observed gaps in strategy and programmes, and the prospects for the future and the way forward. It must be noted that current achievements recorded in the agricultural sector must be assessed from the perspective of regaining lost ground, especially when viewed from the role agriculture played in the Nigerian society economy in the 1960s to late 1970s. This perhaps underscored the need to go beyond sustaining current achievements to breaking new grounds and positioning agriculture as the mainstay of the Nigerian economy through gainful employment, agro-industrial development and growth, raw material production for industry, enhanced foreign exchange earnings, food security and poverty reduction (Akande and Olomola, 2007).

The ongoing effort of the federal government to reposition Nigeria among respected and economically stable nations is challenging. The Obasanjo Administration did therefore, undertake very wide and penetrating reforms in the Nigerian economy such as the National Economic Empowerment and Development Strategy (NEEDS), the liberalization of the economy in order to reduce the opportunities of rent-taking officials, fiscal discipline, free market and privatization among others over the period of his two-term tenure from 1999-2007 (John, 2011 and Augustine, 2007). These reforms were inevitable if the economy was to achieve the desired level of growth and if poverty is to be reduced to its barest minimum by reducing unemployment rate and avoiding the vulnerability to fluctuations in oil prices and thereby improve the average income per capita of the citizens.

Reforms in the Agricultural Sector

Agriculture has not been spared the strokes of the now pervasive reforms process. Right from the onset of the civilian dispensation, it was considered an advantageous policy to fuse agriculture and rural development into a single government ministry. In 2001, the National policy and strategy for Integrated Rural Development was launched and adopted as a replacement for that enacted as far back as 1989. The key leaning of the new policy were said to be, among others:

the creation of a conducive macro-economic environment to stimulate greater private sector investment in agriculture; the rationalization of the roles of the different tiers of government; reorganization of the industrial framework for government interventions in the sector; actualizing and implementing integrated rural development; increased budgeting allocation to enhance production and productivity; increasing fiscal incentives to agriculture and reviewing trade regulations; promoting increased use of machinery and input through favourable tariff policy.

For most sub-Sahara African countries including Nigeria, agricultural development is considered to hold the key to economic development. In view of this, development Economists insist that, if there is to be a structural transformation in output and labour force in the long-run, there must first be in the short-run some successful policies of agricultural development to facilitate this transformation (Ayodele, 2000).

According to Essien (2005), most countries of the world have undertaken one form of economic reform or another at a time in their history. The goals of these reforms may differ from country to country: nevertheless, they are all closely aligned towards putting their economies on a path of sustainable growth and development. Consolidating on the policies made to reform agriculture in Nigeria, the National Economic Empowerment and Development Strategy (NEEDS) sets the following targets to restore agriculture to its former status as a leading sector in the economy.

a. Achieve minimum annual growth rate of 6 percent in agriculture

b. Raise agricultural exports to $3billion in 2007.

c. Drastically reduce food imports from 14.5% of total imports to 5% by 2007

d. Protect all prime agricultural lands for continued agricultural Production

e. Develop and implement a scheme of land preparation services to increase cultivable arable land by 10% a year and forest private sector participation through incentive schemes.

The Nigerian Stock Exchange is the major stock exchange of Nigeria. It is headquartered in Lagos and was established on September 15, 1960 and then known as Lagos Stock

Exchange (LSE) In December 1977, it came to be called "The Nigerian Stock Exchange and it currently consists of nine trading floors located at Lagos, Kaduna, Kano, Onitsha, Ibadan, Yola, Abuja, Port Harcourt and Benin-city. As of March 9, 2007, it has 283 listed companies with a total market capitalization of N15 trillion ($125billion). All listings are included in the only index, the NSE All Share Index. The Exchange has an Automated Trading System (ATS). Data on listed companies' performance are published daily, weekly, monthly, quarterly and annually.

Ambe (1998) wrote that the Nigerian capital market performs a lot of roles in the development of the economy. The roles include providing:

a. opportunities for companies to borrow funds for investment purposes

b. an avenue for marketing of shares and other securities to the investing public in order to raise fresh funds for expansion of operations of companies.

c. opportunities for governments to finance their projects, including infrastructure for socio-economic development.

d. needed SEED money for venture capital and encouraging good corporate governance by ensuring transparency, good accounting and management practices.

Agro-Allied Sub-Sector

Stock Market Guide (2005) forecasted that the Agric-sector is promising in terms of prospects for rapid growth over the few years. This is strongly indicated by the impressive annual growth of about 7.0 percent recorded in 2003-one of the highest sectoral growth records obtained in the year. Improvement in capacity plus emerging opportunities for exports should raise new hopes and expectations for investors. The low import content of agricultural output is expected to preserve profit margin.

The operator has a firm control of their market in terms of customers, prices and margins. This put them in a position to achieve some of the highest growth rates in sales and profit in the stock market. In 2003, listed agric. companies came among the top equities that recorded the highest price appreciation. At the NSE, seven companies are quoted under the Agricultural/Agro-allied sub-sector. However, only about two to three companies have been operating as a going concern; Okomu Oil Palm Plc and Presco Plc., located in Benin City. The companies have continued to compete favourably even as they design strategies to expand their share of the market.

(NSMA (2005)) however, wrote that the two companies have constantly appreciated the contribution of their shareholder's towards their continued growth. For instance, Okomu Oil paid a dividend of 45k per 50k share in 2007; this probably explained the rise in price of Okomu to N18.45 as at August 2004.

From a global perspective, the state of the capital market gives an idea of the state of health of the national economy. It also measures the stability of the economy with regards to the extent to which economic activities can rely on it. -Essentially the level of national economic development and the extent to which most economic activities can effectively rely on the safety of the capital market are major indicators of a healthy balance between a sound financial system and macro-economic stability.

Having briefly considered the reforms in the agricultural sector, it is therefore imperative to examine its effects on the market and operational performance on agri-business in Nigeria. The agricultural sector, prior to the inception of the Obasanjo Administration in 1999 was characterized by decaying infrastructure, poor research facilities, low yield of crops, high post-harvest losses, poor institutional linkages and partnerships, inconsistent macro-economic policies, lack of appropriate technology and modern inputs, weak extension services, ineffective control of pests and diseases and poor data base or policy formulation. The reform measures to tackle these problems commenced with the updating of the existing agricultural policy and approval of a new policy in 2001. What then are the effects of these reforms on the performance of listed based companies on the NSE?

The dismal performance of Nigerian agriculture in the last two decades raises a number of critical questions in relation to the perceived roles of agriculture in the process of economic development: First, to what extent has Nigerian agriculture been able to perform its roles? Second, how have different policies failure had significant effects on the agricultural sector and consequently on the growth of quoted agric-based companies on the NSE? Third, what implications do these have for Nigeria's agricultural, private and public sector development in the future? These and other pertinent issues are the focus of this study.

The broad objective of this study is to critically examine the effects of Agricultural sector reforms on the performance of some quoted Agric-based companies on the Nigerian Stock Exchange (1993-2007). Specifically, the study aims at achieving the following objectives:

i. identify the different economic reforms in the Agricultural Sector in Nigeria from 1999-2007

ii. access the impacts and shared values of the companies under consideration on the Nigerian economy.

iii. evaluate the trend in some financial ratios of these companies.

iv. evaluate the performance of the Agric-based companies with regards to the reforms in the Agricultural Sector in Nigeria..

RESEARCH METHODOLOGY

Focus of Study

This study focuses on the agric-based companies of the Nigerian Stock Exchange: Okomu oil palm plc from the Agriculture sub-sector as well as Nestle Nigeria Plc from Food/Beverages Sub-sector. The former uses oil palm (*Elaeis guineensis*) as its major raw material and the latter uses cocoa (*Theobroma cacao*).

Data Collection Procedure

Literatures on the Agricultural sector reforms in Nigeria from 1999 to 2007 were sourced from secondary sources – such as journals, conference monographs, and occasional papers, as well as magazines and workshop proceedings. Data for the performance indicators of the Agric-based companies are extracted from verifiable, published sources - Central Bank's statistical bulletin, official daily lists and fact-books of the Nigerian Stock Exchange for various years and Annual Reports of the companies in question filled at the NSE in accordance with the provision of the companies and Allied Act (CAMA, 1990). For the purpose of establishing their real performance before the recent crash of the stock market (caused by world economic recession), a cut-off period is established: 1993-2007. Any report with an accounting year-end earlier or later than this cut-off period are left out of the assessment; this will facilitate the understanding of the probable effects of changing policies of the government and that of the reforms.

A time series analysis was used and the data that were not directly available in all these sources were estimated indirectly by using simple arithmetic manipulation, interpolation and by ratio analysis used in Financial Management. Ratio analysis is a process of identifying the financial strengths and weaknesses of the firm. This may be accomplished either through a trend analysis if the firm's ratios over a period of time or through a comparison of the firm's ratios with its nearest competitors and with the industry averages.

Analytical Framework

The variable of the study were measured and analyzed statistically. Financial ratios such as : Return on Equity - (ROE), Average Price/Stock Price per Share, Earnings Yield, Dividend Yield, Price-Earnings Ratio – (PER), Profit Margin Ratio – (PMR), Net Asset per Share – (NAPS) were employed. These helped to ascertain the financial conditions of the firms and regression analysis was used to capture the fourth objective.

The multiple regression equation models are as follows:

Implicit Functional Model:

Y = f(X1, X2, X3, X4, X5, X6, X7, µ) ……………………………………………………..(i)

Explicit Functional Models:

a. Linear Function

Y = bo + b1X1 + b2X2 + b3X3 + b4X4 + b5X5 + b6X6 + b7X7 + µ ……………………(ii)

b. Semi-Log Function

Y = bo + b1lnX, + b2lnX2 + b3lnX3 + b4lnX4 + b5lnX5 + b6lnX6 + b7lnX7 + µ ……...(iii)

c. Double-log function/Cobb-Douglas Model:

LnY = bo + b1lnX, + b2lnX2 + b3lnX3 + b4lnX4 + b5lnX5 + b6lnX6 + b7lnX7 + µ …...(iv)

Where: Y = Profit after Tax (in Naira), X1 = Return on Equity (in per cent), X2 = Earnings Yield (in per cent), X3 = Dividend Yield (in per cent), X4 = Price- Earnings Ratio (in per cent), X5 = Profit Margin Ratio (in per cent), X6 = Net Assets per Share (in Kobo), X7 = Dummy variable (0 = before the reforms, 1999; 1 = during the reforms, 2000-2007), µ = Random Error Term, Number of years considered = 15 years (1993 – 2007).

One of the above explicit functions was therefore chosen as the Lead equation base on the function that has the highest R2, highest F-value, function that has more significant ß (coefficient) and the function that has more ß (coefficient) with correct expected sign.

The a priori Expectation is expressed as: b1›0, b2›0, b3‹0, b4›0, b5›0, b6›0, b7›0. It is therefore expected that X1, X2, X4, X5, X6 and X7 would have positive relationships on the Profit after Tax. This implies that if the variables increase, ceteris paribus, the PAT would also increase and vice versa. Only the X3 is expected to have a negative relationship with the PAT. That is, if X3 increases, the PAT would decrease, all things being equal, and vice versa.

RESULTS AND DISCUSSION

Okomu Oil Palm Plc

The equation was significant at 1% and 5% levels. The coefficient of multiple determination (R2) of the lead equation was 0.91 which implies that 91% of the total variation in the PAT was explained by the modeled explanatory variables included in the regression model while the remaining 9% was explained by the error term. Also, the F-value 58.603 is significant at 1% which showed that the model used was fit and appropriate for the data. The explicit form of the equation is as shown below:

In Y = 14.196 + 0.126X1 – 0.007X2 – 1.178X3** – 1.670X4*–0.088X5 + 1.497X6* + 1.089X7*

(5.758) (0.509) (-0.263) (-2.548) (-2.591) (-0.227) (4.913) (4.435)

R2 = 90.8% Adj. R2 = 89.1% F – value = 58.603

The values in the parenthesis are standard T-values.

Out of the seven explanatory variables captured in the model, X4, X6 and X7 were significant at 1% while X3 was also found to be significant at 5%. This implies that these four variables exerted significant effect on the profit after Tax.

Dividend Yield (X3) showed a negative relationship with the PAT, which is in conformity with the a priori expectation. It connotes that for every 1% decrease in the DY, the PAT is decreased by 1.178%.

Price–Earnings Ratio (X4) showed a negative relationship with the PAT, which is not in conformity with the a priori expectation. It indicates that for every 1% increase in PER, the PAT is decreased by 1.670%.

Net Asset per Share(X6) showed a positive relationship with the PAT, which is in conformity with the a priori expectation. This also implies that for every 1% increase in NAPS, the PAT would increase by 1.497%.

Table 1: Multiple Regression Result on the Determinants of PAT

Functional form	Constant b_0	Return on Equity b_1	Earnings Yield b_2	Dividend Yield b_3	Price-Earnings Ratio 4_4	Profit Margin Ratio b_5	Net Asset Per Share b_6	Dummy Variable b_7	R-square	Adjusted R-square R^{-2}	F – Value
Okomu Oil Palm Plc											
Linear	$-5.1\times10^{8**}$	-1.05×10^{6}		$-2.51\times10^{7***}$					81.00%	66.70%	5.684
(T-value)	(-2.323)	(-0.689)	1.99×10^{7}**	(-1.740)	-64623.97	-39461*	691162.6*				
			-2.401		(-0.046)	(-3.952)	-4.226	1.64×10^{8}			
								-1.211			
Semi-log	-3.97×10^{8}	-7.12×10^{6}	-1.4×10^{2}	-1.52×10^{8}	-3.88×10^{8}	-1×10^{8}	1.7×10^{8}	$4.39\times10^{8*}$	83.60%	81.20%	11.187
(T-value)	-0.399	-0.07	(-1.427)	(-0.795)	(-1.370)	-0.712	-1.529	-3.936			
Double log	14.196	0.126	-0.007	-1.178**	-1.670*	-0.088	1.497*	1.089*	90.80%	89.10%	58.603
(t – value)	-5.758	-0.509	(-0.263)	(-2.548)	(-2.591)	(-0.227)	-4.913	-4.435			
Nestle Nigeria Plc											
Linear	-1.756×10^{9}										
(t-value)		5.23×10^{6}	-8.50×10^{7}		3.217×10^{7}				74.90%	73.30%	67.687
	(-1.353)			$5.\times10^{7}$		$2.8\times10^{7*}$	$4.58\times10^{6*}$	2.31×10^{6}			
		-1.114	(-0.138)		-1.162		-9.814				
				-1.171		-4.06		-0.605			
Semi-log	-1.27×10^{10}	-6.94×10^{8}(-1.089)	$-1.95\times10^{9***}$	2.544	1.54×10^{9}	2.4×10^{7}	$2.11\times10^{9*}$	-4.7×10^{9}	86%	83.70%	23.508
			(-2.022)	-0.158	-1.549	-1.555	-4.688	-0.567			
(t – value)	-3.165										
Double log	10.427	0.742*	-0.316	-0.159	-0.003	0.513***	1.071*	-0.099	89.50%	88.90%	181.982
(t – value)	-5.758	-5.395	(-0.931)	(-0.799)	(-0.184)	(-1.654)	-12.134	(-0.604)			

Table 2: Average PAT and Average NAPS of the Companies.

Companies	Average Profit After Tax		Average Net Asset Per Share	
	Before the Reform	*During the Reform*	*Before*	*During*
Okomu Oil Palm Plc	₦134,433,341.4	₦357,389,875	472.24 kobo	977.68 kobo
Nestle Nigeria Plc	₦720, 928,000	₦3,919,457,625 -	164.14 kobo	740.50 kobo

Values were calculated from interpolated data

Dummy variable (X7) showed a positive relationship with the PAT, which implies that Agricultural sector reforms between 2000 and 2007 with the value of 1, have significant effect at 0.007 (that is, 1%) on the PAT of Okomu Oil Palm Plc., used as a proxy for the profitability and performance of the company.

Nestle Nig Plc

The equation is significant at 1% and 10%. The coefficient of multiple determinations (R2) is 0.895 which implies that 89.5% of the total variation in the PAT was accounted for by the set of the explanatory variables captured in the model. It could also be said that 10.5% of the total variation in the PAT was accounted for by other predictors not included in the regression model. Also, the F-value is 181.982 and it is significant at 1%. Out of the seven predictors captured in this study, X1, and X6 were found to be significant at 1%, while only X5 was significant at 10%. This implies that only three variables were found significant to influence PAT. The explicit form of the equation Nestle Nig Plc is as shown below:

In Y =10.427 + 0.742X1* – 0.316X2 – 0.159X3 – 0.003X4 – 0.513X5*** + 1.071X6* + 0.099X7

(8.687) (5.395) (-0.931) (0.799) (-0.184) (1.654) (12.134) (-0.604)

R2 = 89.5%

Adj. R2 = 88.9% F – value = 181.982

Return on Equity (X1) showed a positive relationship with the PAT, which is in conformity with a priori expectation. It implies that for every 1% increase in ROE, the PAT would increase by 0.742%.

Profit Margin Ratio (X5) showed a negative relationship with PAT, which is not in conformity with the a priori expectation. It implies that for every 1% increase in PMR, the PAT is decreased by 0.513%.

Net Asset per Share (X6) showed a positive relationship with the PAT, which is in conformity with the a priori expectation. It implies that for every 1% increase in NAPS, the PAT would increase by 1.871%.

Table 2 below clearly showed that the average profit after tax of Okomu Oil Palm Plc rose from 27.3% before the reform to 72.7% during the reform (that is, 62.4% increase). Likewise, the average net asset per share rose from 32.6% before the reform to 67.4% during the reform (that is, 51.7% increase).

Also at Nestle Nigeria Plc, the average PAT rose rapidly from 15.5% before the reform to 84.5% during the reform (that is, 81.6% increase). Likewise, the net asset per share rose rapidly from 18.1% before the reform to 81.9% during the reform (that is, 77.8% increase).

CONCLUSION AND POLICY RECOMMENDATION

This study is motivated primarily by the need to enhance the performance of two named Agric-based companies on the Nigerian Stock Exchange through the Agricultural sector reforms. In this regard, this exercise has demonstrated that there is a positive relationship between the two. These reforms have been observed to be capable of stimulating the market and operational performance of Okomu Oil Palm Plc and Nestle Nigeria Plc. Based on some financial indicators; it was shown that these companies had made considerable progress over time, as their models were also significant at one per cent, each. Although, the reform process appeared not to have much significant influence on Nestle Nigeria Plc as much as it does on Okomu Oil Palm Plc. The positive effect of the reform on Nestle Nigeria Plc was only shown by its profit after tax on net asset per share computed and the return on equity.

In absolute terms, the reforms in the Agricultural sector have had significant effects on the performance of the two quoted Agric-based companies on the Nigeria Stock Exchange. The effects have been shown through the increasing trend in the profit after tax of the companies as a true measure of their performance. Agricultural sector at large that has a growth rate of 2.8 per cent in the 1990s has now been growing at 7 per cent since 2003 (Soludo, 2006). The message is that the Nigeria economy is changing its fundamental ways and the rest of the world is taking notice. From a perception of Nigeria as a hopeless case for investment, the growing view now is that Nigeria is a preferred investment destination.

It is against this background that this question should be asked: will the Obasanjo-initiated reforms be sustained? The answer to this question would determine the rate of investment in the Agricultural sector by Nigerians at home, in the Diaspora and by Foreign Direct Investment (FDI); as agriculture, in the near future, holds the key to growth, employment and poverty reduction. The outcomes of the reforms have been impressive. Evidently, the first thing to do is to keep doing the right things we are doing now, continue with the reforms under the NEEDS framework. Build upon the current momentum of reforms, sustain them and even take them to the next higher levels. In the next few years, the name of the game will continue to be REFORMS, REFORMS!

Policy Recommendations

The Federal Government should vigorously pursue the ongoing reform efforts in the Agricultural sector and ensure that they are completed – and not abandoned – a task to which this government is fully committed; through appropriate funding of the reform process. It is also important to make critical evaluation of the successes and failures as well as entrench learning in the process while making necessary adjustments.
There is equally the need to formulate deliberate policies to make the Nigerian Stock Market more attractive to investors through tax incentives, improved settlement procedure, and considerable reduction in transaction costs. The quoted companies should be encouraged to raise funds for their firm's expansion from the Nigerian Capital Market.
The Government should intensify growth in the Agricultural sector of the economy which will consequently strengthen people's confidence in the Stock Market investments.

A basic limitation of this study is the unavailability of some relevant data on performance indicators such as Market value of share, number of ordinary share, number of deals recorded during the year etc. for the companies under considerations. Also, the limitation of inability to map out, possibly on one-to-one basis, the relationship between economic reforms in the Agricultural sector in Nigeria and Stock market indicator since most of these variables are inter-related. However, the limitations had been attempted to be resolved by considering the average profit after tax and net asset per share before and during the reform; 1993 – 1999 and 2000 – 2007 respectively.

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