

The 6th edition of the ALP Seminar series was held on Wednesday 28th of June. It featured experts from the Agriculture industry. The theme was **Transforming the Nigerian Agriculture and the Agro-allied industry** and it attracted leading figures, institutions and stakeholders including the Commissioner for Agriculture for Ogun State, Mrs. Adepeju Adebajo, the Deputy Director General for IITA, Dr Kenton Dashiell, Mr. Ade Adefeko VP Olam, Mr. Mezuo Nwuneli Sahel Capital, Mr. Sadiq Usman Flour Mills of Nigeria, Mr. Oluyele Delano (SAN) ALP, Dr Ajibola Samson Leadway, Mr. Chuka Mordi Union Dicon Salt and many others.

Background: In the wake of faltering prices for Crude Oil and a dire need to diversify the sources of its foreign exchange earning there's now a substantial clamour for Nigeria to revive its Agriculture sector. But the sheer numbers of the subsistence farming population will no longer make up for the lack of mechanized farming and the poor infrastructure. Nigeria's population is now three times bigger. The infrastructure gap and the dearth of an integrated agriculture system has become a hindrance to a full resurgence of Nigeria's dominance in this sector.

As a result of bad or inexistent roads in rural areas, on average more than 27% of the crops produced by Nigerian farmers is lost before it reaches market as a result of inefficient transportation system, non-existent storage facilities and a deficiency of Power supply. Yet the urgency of unlocking our Agricultural potential is more pertinent now than ever before because we are spending as much as \$20bn of our foreign reserves yearly on importation of food. The end result is an unnecessary use of foreign exchange reserves and a weakening of the Naira.

The ALP seminars topics sought to address these and other issues in four sessions dealing with a) **The role of research and Technology;** b) **Treating Agriculture as a business;** c) **Attracting Investment into the Agriculture Sector** and d) **the challenges involved in acquiring land for Agricultural purpose.**

The keynote speeches were delivered by Dr Kenton Dashiell Deputy DG, IITA Ade Adefeko SVP Investment and Government Relations Olam Mezuo Nwuneli Sahel Capital and Oluyele Delano (SAN) Managing Partner of ALP.

Mrs Adepeju Adebajo was also on hand to inform the delegates about Ogun states strategy to improve the Value chain and optimize its agricultural pursuits. **(See What is Ogun State doing? ALP Agriculture Review)**

According to Dr. Dashiell there are many positive developments in the Nigerian Agriculture space including improve productivity in crops like Soya bean, Maize and Cassava. The intensification in Cassava has worked well and Nigeria now has the highest output in the world- producing high -yielding, early bulking varieties resistant to CMD varieties. However if this output is to translate into more revenue there must be a concerted effort to produce Cassava Starch Flour Ethanol and Sweetener, for domestic use and for export. He also urged that Nigeria needs to utilize Cassava to replace imported Wheat up to 20% in bread and 40% in other confectionaries

The biggest target now is to seek to achieve self -sufficiency in Rice, Maize, Soybean, and Poultry production; 50 %self -sufficiency in Fish, Wheat, and Dairy Production by 2019 through establishment of

a private sector -led, government-enabled input distribution platform for the dissemination of a technology package

He said the way forward is to **use research to serve the needs of the industry via reform of the Agricultural Research Council of Nigeria (ARCN)** from a coordinating research council to a managing research council. We must seek to strengthen capacity for project management and policy making in the public sector via training of staff all levels in financial and technical management. Finally we must create new a generation of farmers and Agri-preneurs by recruiting, training and mentoring 40 ,000 young men and women under the **ENABLE Youth program** of the Government and the **AfDB**.

Mr. Ade Adefeko (Olam) delivered an interactive address in which he made a number of points firstly **we don't need to wait for FDI** when Direct Domestic Funds are being pumped into Agriculture by the likes of Olam Flour Mills Dangote Farms to mention a few. Secondly that **Nigerian Farmers must for themselves into aggregate groups** so that they have a louder voice in the Value chain; Thirdly that the **Nigeria government on the Federal and State level must stop playing lip service to infrastructure reform** , rather they must deliver on their promises to build more roads and bridges connecting rural areas to market towns. Fourthly that agriculture must be addressed a business not a social program.

According to Mr. Nwuneli of Sahel Capital Agricultural transformation is not only about food – it is also about the economy. Over the past 10 years there has been a gradual increase in agribusiness investments in Nigeria. However, even with this increase in investment, **over \$5 billion is still needed to provide required financing for farmers and agribusinesses.**

There has also been an increase in bank lending to the agricultural sector, though not as fast as lending to other sectors. He said there is a wide gap between the demand and supply of agricultural finance in Nigeria, estimated at USD\$4billion per annum 1 2014 lending: Oil & Gas (N3.1 trillion), Manufacturing (N1.6 trillion), Trade & Commerce (N1.0 trillion), Financial Services (N763 billion), Government (N732 billion), Agriculture (N479 billion). Agriculture lending has declined as a % of overall bank lending over the past 30-years, but has increased as a % of lending over the past 7-years

A broad range of **policy issues impact attractiveness of investment in Nigeria's agricultural sector** **Security** concerns in North Eastern Nigeria have resulted in: (1) dramatic reductions in crops planted and harvested in the region, (2) higher transportation costs (4) significantly reduced trade between Borno and Niger/Chad. (4). Roads Poor rural roads and key interstate roads 5. Central Bank (FX)6). Customs / Import Tariffs (7). Water Irrigation strategy for dry season farming. 8. Status of Insurance Agricultural.

The final session **Navigating the Minefield of acquiring land for Agriculture in Nigeria was undertaken by Mr. Oluyele Delano (SAN)**. He said that the Land Use Act has been singularly unhelpful in empowering companies seeking to own land for purposes of Agriculture. He made the point that people are not incentivized or encouraged to bring their land into the realms of registered land because it is a disadvantage to do so. The most glaring disadvantage is the fact that a Certificate of occupancy will limit your ownership of land to 99 years. Whereas unregistered land has no limitations of time attached to it. His sessions and other sessions are accessible on the ALP website.