



Unlocking Nigeria's Agribusiness potential towards a food-secure Africa

KEYNOTE ADDRESS

BY

**DR YEMI AKINBAMIJO,
THE EXECUTIVE DIRECTOR,
FORUM FOR AGRICULTURAL RESEARCH IN AFRICA (FARA)**

ON THE OCCASION OF

**The 55th Annual General meeting (AGM) of the Nigerian Association of
Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)**

TRANSCORP HOTEL

CALABAR

CROSS RIVERS STATE

JUNE 4, 2015

Protocol and Courtesies

The President NACCIMA

Member of the Board present

Members of the press

Invited guests

Distinguished participants

Ladies and Gentlemen,

In the wake of our successful transition of power and a magnanimous show of democratic maturity, I am greatly honoured and privileged to have been called upon to join the commemoration of the 55th Annual general meeting of Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) and to deliver a keynote paper on the same occasion. Please accept my cordial felicitations and best wishes as you celebrate this year's edition of your associations Annual General Meeting.

I must also congratulate you all on the wisdom to coalesce four cardinal sectors of Nigeria's economic prowess. It is stating the obvious if I remark that your association marshals the fraternity of Nigeria's economic force –Industry, Mines and Agriculture is the ensemble of Nigeria's arsenal against poverty. Your association is Mr President's best ally in his primary task of keeping Nigeria economically sound and we all have a great role in supporting this new administration to achieve **'The Nigeria we all want'**.

Let me, first of all, convey to you the warm greetings and best wishes from FARA community whom as you know are enthusiastic supporter of private sector development and entrepreneurship especially in agriculture and agribusiness. The Africa, We Want by 2063 should be like particularly in the context of agricultural transformation for food and nutrition security, employment opportunities, wealth creation, job creation and shared prosperity across nations. Am very happy for the leadership of NACCIMA for taking the lead in Africa to champion this agenda and trust- you are in the right path at the right time moving forwards Africa and Nigeria as a country

I have preached all through my career the concept of an engine for economic growth. I dare say that where Nigeria is concerned, that engine – to a large extent is NACCIMA. I can only hope that things will only get better as you rally yourselves behind a common cause of advancing private sector development in Nigeria.

Mr Chairman, Today, I am honoured to be a part of the NACCIMA story as I have been offered the rare privilege of presenting this keynote address on this important day and event and at a time when Africa is recognized as having 7 of the fastest 10 growing economies of the world.

As the Executive Director of FARA, I am happy to see the due recognition given to agriculture as the engine of growth and transformation. Also, having been

responsible for policy and leadership in agricultural research and development in my three decades in the agricultural sector in Africa and elsewhere, I remain passionate about agriculture being Africa's priority option for economic transformation, growth and development and its continued role in the socio-economic development of communities and nations in the years to come.

I am particularly delighted that there seems to be a cosmic alignment of forces culminating in the election of our own Dr Akin Adesina the erstwhile Minister of Agriculture and Rural Development of Nigeria to the high office of the Presidency of the African Development Bank. This is indeed the time for Africa! This is another first for Nigeria and another opportunity that I personally believe will help unlock our development potentials.

I urge you all and the leadership of NACCIMA to key into this rare opportunity for 'the Nigeria we want', realign your forces, improve your synergistic options, and go for the kill. There is never a second time to make a first impression. NACCIMA has the moment and the momentum to unlock Nigeria's agribusiness potential for a food-secure Africa. This must now go beyond rhetoric.

It's interesting to note that since inception, NACCIMA has grown into a colossus and acquired significance within and outside the country. It has become the most effective and efficient organ through which the Nigerian Business Class influences Government on a wide range of issues affecting commerce and

Industry. In order to take advantage of the opportunities which the new democratic dispensation offers, the NACCIMA has improved on its services to provide prospective investors with the latest information on the variety of investment opportunities in Agriculture, trade, mines and industry in Nigeria. We salute the past and the current able leadership for this transformation and encourage you to take advantage of numerous opportunities that Agriculture offers, especially in the use of science, technology advancement, innovations and young African population moving forwards the sector and agenda of the Association.

How to leverage economic transformation on agriculture

Agriculture is the most important sector in the Nigerian economy. It employs 60% of Nigerians, including many rural women, and contributes up to 35% of the country's GDP. As in many other African countries, agriculture in Nigeria is largely focused on food crops for the domestic market, given the Nigerian population estimated at about 180 million people. In spite of this reality, Nigeria remains a net importer of food, for many reasons. First of all, the majority of the agriculture-focused operations in the country are small-scale, with limited innovation regarding inputs, harvesting, processing, distribution, and access to markets. The vast majorities of people who engage in agriculture operates at the subsistence level, are uneducated and have limited access to training. Moreover, 95% of the country's exports are dominated by petroleum and related products, which has shifted focus away from agriculture. As a result, until recently, there has been severe underinvestment in agriculture by the public and private

sectors, civil society and bilateral and multilateral agencies. This has been intensified by weak, un-enforced, poorly implemented and often conflicting policies at all levels of our governance structures.

Today inclusive business development requires us to engage youth and women on top of our agenda. I took some time to inform myself and read through the NACCIMA membership records and history of growth and development. I noted that youth and women represent a smallest group/share at all levels including NACCIMA working groups within the different sectors .Women already contribute significantly to the development of households, communities and nations. Yes, they are the mothers of African citizens. They are also the care takers of families. They are the pillars of economic growth and development considering their predominant role in agriculture which is the backbone of most African economies. Therefore, when Africa is said to be resilient to the global economic and financial crisis where many regions faced depression as Africa maintained impressive economic growth figures, between 4 and 5 per cent, we know who are responsible. When Africa is said to have 7 of the world's 10 fastest growing economies, we know who are responsible. But we also know that women have not had a fair share of the fruits of their labour and they continue to endure hardships from all fronts. And, this is partly why they have not yet fully exploited their potential. Hence the need for NACCIMA to deliberately engage and support opportunities in Agribusiness that offers equal participation and benefits to youth and women moving forward.

We nonetheless remain optimistic and determined to ensure that we take full advantage of existing and emerging opportunities to reassert ourselves because

it has been proven that no one will give you your rights, you have to claim your rights.

Ladies and gentlemen, I was happy to note that NACCIMA is placing increasing emphasis and investment in Agriculture otherwise, the Executive Director of the Forum for Agricultural Research in Africa will not be standing in front of you today. African leaders and development partners through the Comprehensive Africa Agriculture Development Programme (CAADP) and the Science Agenda for Agriculture in Africa (S3A) are committed to ensuring that agricultural production is increased through science, technology and innovations advancement ,so that private sector will be empowered to boost agricultural production, agro processing, value addition and marketing . The marching orders have been placed already for Nigeria. It will take three things for us moving forward with our agricylture – these are INNOVATION, INNOVATION and more INNOVATION. It will be foolhardy for us to be doing the same things over and over and to expect a different result.

It took visionary leadership and innovation to place Nigeria in the top spot of the global cassava production. What moved the cheese? We have always been the same people and out land and cassava have always been there and yet we were not number 1. Today with the 20% inclusion of cassava and the retooling of our flour mills, we are able to further cut our foreign debt by a whopping 20% on

wheat products! That is just the cassava story and there are more to be discovered. Imagine a country the size of the FCT and a farming population of 160k people feeding the whole of West and Central Africa (385 million folks) with Milk, eggs, poultry meats, etc. Yet we do have abundant arable land and water systems lying latent. The potential of the agriculture sector in Nigeria alone is huge. If NACCIMA would harness the potential membership of the Nigerian agribusiness sector, even if oil process drop to 1 dollar a barell, by the sheer proof of context demonstrated by our northern friends where 160k is feeding 385m, it means the sky is the limit is NACCIMA truly UNLOCKS agribusiness in Nigeria. The country has a substantial base to build upon: its natural assets including land (39.6 m hectares of arable land, of which 60% is under cultivation), climate and rainfall, its coastal areas, its history as an agrarian economy. Today, Nigeria is one of the world's largest producers of cassava yet we import a whole range of industrial and domestic starch based consumables, cashew yet you will find cashew nuts in Shoprite (very often celebrated in Nigeria) as the replacement of UTC, Kingsway and Leventis (I wonder what the future holds when my children becomes industrialists), tubers (sweet potato, yams) yet 80% of our homes still have mortar and pestle with over 40%PHL, fruits (mango, papaya) with less than 5% processing and grains (millet, sorghum and sesame).

In addition, the country's population represents a large domestic market that can support and sustain local production and processing while also providing a solid basis for economy of scale. Nigeria also plays a key role in West Africa and there are tremendous opportunities to access regional markets. Unfortunately, there is limited collaboration across regional value chains; there is greater collaboration between the West African countries and their former colonizers or the United States, than with their neighbours. This has resulted in significant lost opportunities in sectors such as rice, cotton and cocoa, and continued dependence on imports.

FARA and other partners are working towards enhancing youth and women participation in the entire agricultural value chain and that is why we are placing emphasis on agro-processing and agribusiness through one of our successful models called- UniBRAIN that brings together African Universities, Research Organizations and Private sector to work together, deliver together and win together along key commodity value chains from production to the plate. Allow me to tell you that for the first time in Africa, we are starting to see science on the shelves of super markets and plates of clients in hotels through UniBRAIN – Agribusiness value chain development and would like to encourage the leadership of NACCIMA to borrow a leaf from this model moving forwards.

This is one sure way of unleashing Africa's potential in socio-economic transformation through agriculture so that as the African Union vision - "An integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in global arena" be it in trade especially trade in agricultural commodities, be it in politics and global governance or in other aspects of international relations but most importantly in feeding ourselves instead of importing the food we eat where the annual import bill is nearing USD50 billion - and feeding the rest of the world. We have the potential. It is within our hands. To unleash it and make the desired difference. We cannot afford to continue blaming the past- if the past failed us, we cannot fail the future and time is now.

The public sector is responsible for creating an enabling environment for agriculture to thrive. It also needs to invest in addressing the key issues that currently hinder the sector by reinforcing trade policies and land tenure policies ; investing in strong agricultural educational and research institutions; easing government engagement in fertiliser, seed and input supply, distribution, and financing ; providing incentives for financial institutions, especially banks and insurance companies to support the private sector ; ensuring strong and effective extension support services, and agriculture development programmes at the local government level ; and providing adequate infrastructures, especially feeder

road networks and consistent and affordable electricity. Moreover, agriculture needs to be recognised as a key business sector in Nigeria, and like other sectors, requires the engagement of the organised private sector across critical value chains. The sector presents tremendous opportunities for the emergence of small and medium- sized enterprises which can create value and jobs across critical value chains. The private sector can provide financing, support systems—including equipment, processing, transportation, distribution and marketing support.

We welcome all stakeholders' members of NACCIMA and our development partners, national governments including the International Development partners to take advantage of public private sector partnership strategy to work with FARA more closely in this compelling drive of transforming Africa's agricultural and agribusiness landscape, where Africa's rising is anchored. The Year 2015 which succeeds the 2014 AU Year of Agriculture and Food Security, remains a momentous year for all actors, Governments, Private Sector, Development Partners, Civil Society Organizations and all of us to seize the moment and move from rhetoric to real actions that will ensure that private sector, women and youth have the skills, resources, and services to increase agricultural productivity and actively participate in agricultural value chains.

Moving forward Agriculture transformation will require all of us to enhance our investments and actions in:

- Enhancing science, research, innovation and technology – in particular technologies that improve productivity of the smallholder women farmers,
- Leveraging ICTs to improve risk management through effective and efficient market linkages throughout national, regional, continental and international value-chains,
- Enhance preservation of nutrient quality of grains, cereals, fish, poultry, meat, vegetables,
- Expanding entrepreneurship of groups of women and young people,

There is an urgent need for improvements in productivity, via access to improved seeds, fertilisers, water management techniques, equipment, financing, and markets. Today, only about 5% of Nigerian smallholders use improved seeds because there are significant problems with seed availability, quality and pricing. Four seed companies dominate seed production; and there is a significant amount of bad seed in the system due to the poor quality of produce from seed companies. The fertiliser application rate is approximately 7 kg per hectare of arable land, a small fraction of the global average of 100 kg/ha. Only 18% of farmers receive extension services. Rudimentary technology is still used for cultivation, harvesting and processing, which increases overall production costs.

Storage capacity is poor; there is limited access to good packaging and no organised warehouse systems, generating large post-harvest losses and wide price fluctuations. Packaging is inadequate and inappropriate, due to poor communication between the different players across the chain and lack of awareness of the processors' packaging needs. Direct and indirect distribution circuits are fragmented and often hastily improvised, at very high cost. In addition, high oil prices have dramatically increased the cost of transportation. There is an urgent need to address the energy challenge in Africa, particularly electricity supply. Energy is required for processing, packaging and storing agricultural produce. Unfortunately, electrification is limited in rural areas, and the provision of electricity is sporadic even in urban areas. Many processors are compelled to rely on generators, and to devote a large percentage of their operating expenses to paying for increasingly expensive petrol and diesel. Alleviating these constraints will ensure that Nigerian produce is competitive relative to imports (today's combination of low yields, averaging 1.7 tonnes/Ha, and high labour costs results in paddy prices of around US\$ 300/t, compared with \$130-140 in Thailand) and affordable for local consumers. Beyond the issue of yields, considerable emphasis has to be placed on value chains, in order to ensure that they are not only efficient, but also effective.

In conclusion , I would like to recommend among other things the need to

enhance Public-Private Partnerships and Investment Financing for Nigeria's Agriculture and call on stakeholders to establish and/or strengthen inclusive public-private partnerships for at least key priority agricultural commodity value chains with a strong linkage to smallholder agriculture and to strengthen the capacities of domestic apex private sector intermediary institutions like NACCIMA for inclusive facilitation and coordination to ensure engagement of the private sector in CAADP implementation.

I will also like to urge NACCIMA to take on a serious moral obligation and/or Corporate Social Responsibility towards building a solid economic base for Nigeria by instituting quarterly forums that will advise government on the deeper involvement of the private sector in Nigeria's economic development.

'A forum like NACCIMA will, therefore, provide an opportunity for men, women and youth stakeholders in the agribusiness sector to discuss and develop concrete strategies for the realization of Africa potential for job generation and wealth creation .

I thank you for listening to me and I look forward to fruitful celebrations

Long live NACCIMA, Long live Nigeria, Long live Africa