



**2017 LCCI AGRICULTURAL & ALLIED GROUP SYMPOSIUM
THEME: REPOSITIONING AGRICULTURE & IT'S VALUE
CHAIN: A RIVAL STRATEGY FOR NIGERIA'S ECONOMY**

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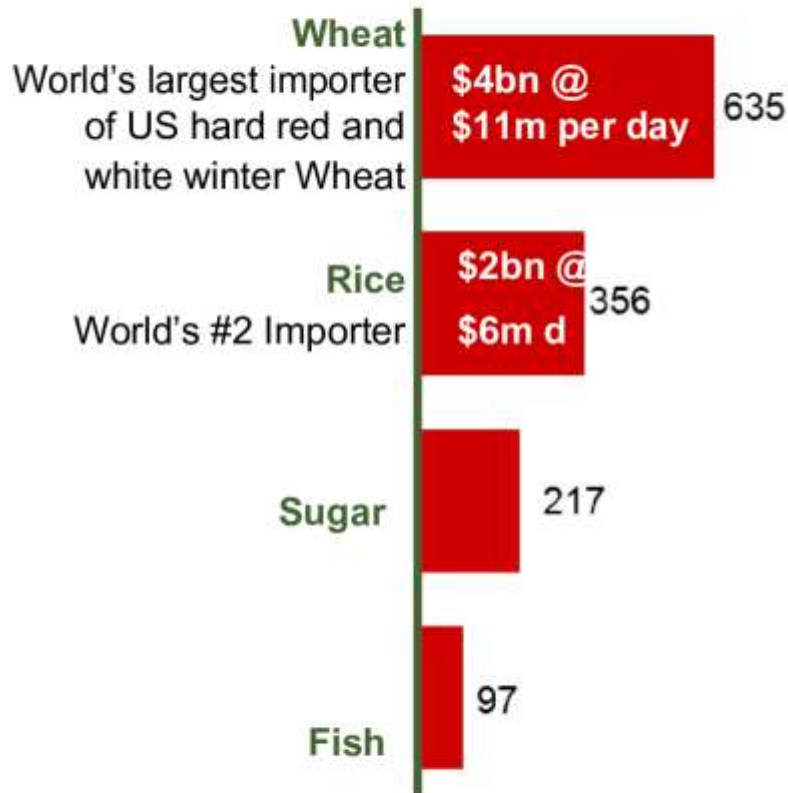


Nigeria Imports over 1.3 Trillion Naira in wheat, rice, sugar and fish every year

Nigeria's imports

Nigeria's top 4 food imports *

Measure: Annual food imports in millions of naira



*CBN

Key takeaways

- Nigeria's food imports are growing at an unsustainable rate of 11% per annum.
- Relying on the import of expensive food on global markets fuels domestic inflation.
- Excessive imports putting high pressure on the Naira and hurting the economy
- Nigeria is importing what it can produce in abundance.
- Import dependency is hurting Nigerian farmers, displacing local production and creating rising unemployment.
- Import dependency is not acceptable, nor sustainable fiscally, economically or politically.



Our Vision: Grow Nigeria's agricultural sector

"To make Nigeria an agriculturally industrialized economy"

What we have **stopped** doing

- Treating agriculture as a development project
- Isolated projects that do not clearly grow the sector in a clear and measurable way.
- Big government crowding out the private sector



Our Vision: Grow Nigeria's agricultural sector

"To make Nigeria an agriculturally industrialized economy"

What we have started doing!

- ≡ **Treating agriculture as a business**
- ≡ **Integrating food production, storage, food processing and industrial manufacturing by value chains ('farm to fork')**
- ≡ **Focusing on value chains where Nigeria has comparative advantage**
- ≡ **Using agriculture to create jobs, wealth and ensure food security**
- ≡ **Investment-driven strategic partnerships with the private sector**
- ≡ **Investment drives to unlock potential of our States in agriculture (joint drives with State Governors)**





New policies, institutions and financing structures to drive sector growth:

- 1. Deregulation of seed and fertilizer sectors**
- 2. Marketing reforms to structure markets**
- 3. Innovative financing for agriculture**
- 4. New agricultural investment framework**



Government has fully deregulated the fertilizer and seed sector, and sanitized the fertilizer subsidy program

Government Distributed

Government distributed fertilizer support program

Private Sector Fertilizer Supplier

Manufacturer/Supplier gets order from FG

Federal Government

FG has manufacturer deliver to states per indent from state at 25% subsidy.

State Government

State "distributes" fertilizer to farmers occasionally adding their own subsidy.

Only 11% of fertilizer reaches the intended farmers

Private Sector Distributed

Private sector distributed fertilizer support system, utilizing Input Vouchers

Private Sector Fertilizer Supplier

Private sector sells fertilizer to farmers at market price "minus" the fertilizer voucher discount provided by government.

Targeted Farmers

94% of actual farmers receive the subsidized fertilizer under the voucher program.

Federal & State Govt.

States and FG coordinate to distribute fertilizer vouchers to targeted farmers.

Key takeaways

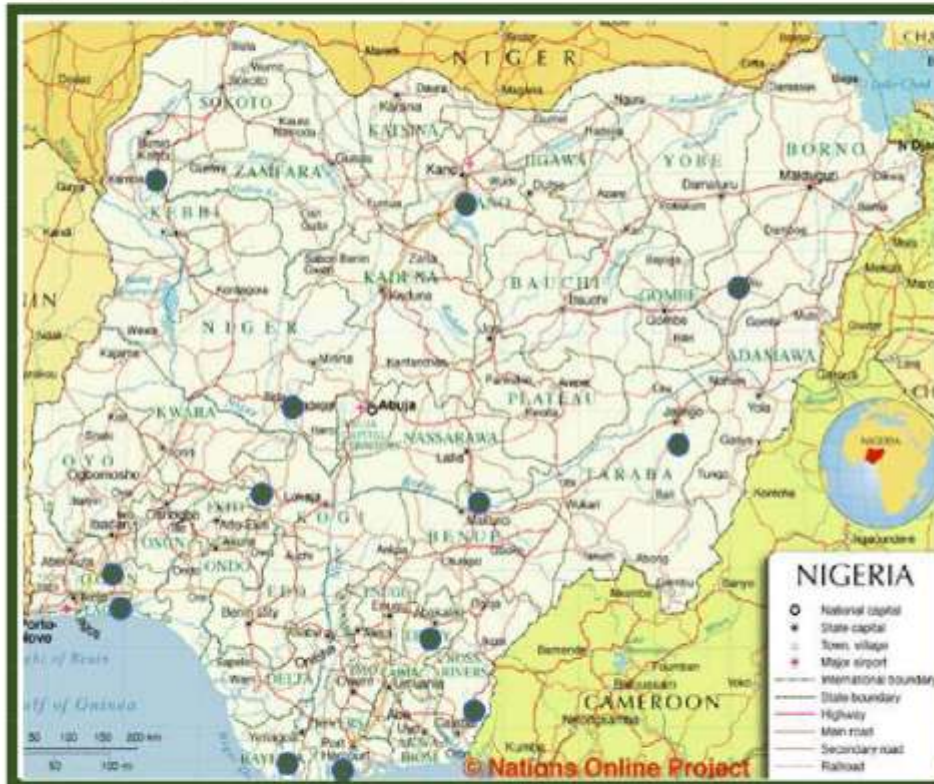
- **Government distribution system is inefficient and wastes resources**
- **Government distribution channels subsidize corruption**
- **Implemented Growth Enhancement Support Program to directly target farmers**
- **Global Best Practice**



Staple Crop Processing Zones (SCPZ)

14 sites selected across Nigeria for the first set of SCPZs

14 Staple Crop Processing Zone sites around the Country



Key Takeaways

- Sites are intended for the production and processing of priority Agricultural products under the ATA; **Rice**, Sorghum, Cassava, Livestock, Fisheries, Cocoa, Cotton, Maize, Oil Palm, **Onions**, Soyabean and **Tomato**.
- Additional SCPZ sites will be designated to cover Livestock, Oil Palm, Cotton, Cocoa, etc.
- Development finance institutions such as the World Bank and the African Development Bank, have pledged support.

