

WEBINAR

RECOVERY EFFORTS TO MITIGATE AGRICULTURAL SUPPLY CHAIN CHALLENGES

THE ROLE OF AGRICULTURAL DEVELOPMENT PROGRAMS

ACIOE ASSOCIATES WEBINAR SERIES

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ACIOE Associates is an advisory services firm providing solutions in Strategy, Government Relations, Regulatory Affairs, Economic Development, Advocacy, Investment Facilitation, and Policy Analysis.

Our team provides advisory services on critical sectors, including Health, Agriculture, Social Impact, and Government relations.

We have supported governments (Federal and Subnational), development partners, and organizations around sustainable solutions to the challenging economic, political, and development issues within the countries we operate.

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Helped a global non-profit to assess policy blockages and develop recommendations in tomato and cassava value chains in Nigeria

Supported a global development company to identify constraints impacting doing business in Agriculture

Providing regular updates for existing clients on the COVID-19 impact and recovery efforts on specific agricultural programs at the Federal and subnational levels.

Providing thought leadership on the COVID-19 pandemic.

Facilitating webinars on the key lessons and recovery efforts considering the impact of the COVID-19 pandemic.

OUR
COVID-19
SUPPORT



Beyond Covid 19: How Do We Feed Our Cities And Industries?

An Agricultural Insight

Presented By: Chirnan .C. Barde



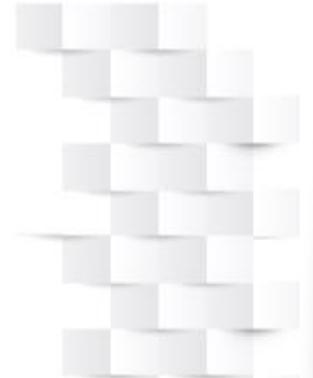
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Beyond Covid 19: A Case For Urban Farming

Presented By: Chirnan .C. Barde



THE FEED THE FUTURE NIGERIA AGRICULTURAL POLICY PROJECT



The USAID-Nigeria funded Feed the Future Nigeria Agriculture Policy Project is implemented by Michigan State University (MSU) and International Food Policy Research Institute (IFPRI)'s Nigeria Strategy Support Program (IFPRI – NSSP).

It is designed to address the need for policy research and capacity building, and to ensure that Nigerian institutions are equipped to respond effectively and in a timely manner to the increasing capacity, knowledge and information needs of the Federal Ministry of Agriculture and Rural Development (FMARD) and the State Ministries of Agriculture and Natural Resources.

IFPRI - NSSP works closely with FMARD to strengthen evidence-based policymaking in Nigeria in the areas of rural and agricultural development



TIME	ACTIVITY	RESPONSIBLE PERSONS
2:00pm – 2:05pm	Welcome Address & Introduction	ACIOE Associates
2:05pm – 2:10pm	Setting the tone	Mr. Matthew Obogbaimhe - <i>(NACC)</i>
2:10pm – 2:15pm	Priorities for Agricultural Development Projects	Dr. Kwaw Andam - <i>(IFPRI)</i>
2:15pm – 3:00pm	Panel Discussion – High level Insights and Recovery efforts	<p><u>MODERATOR:</u></p> <ul style="list-style-type: none"> • Ms. Yewande Kazeem – <i>(Wandeville Media)</i> <p><u>PANELISTS:</u></p> <ul style="list-style-type: none"> • Dr. Adam Saffer - <i>(MD & Chief of Party, Feed the Future Nigeria Agribusiness Investment Activity)</i> • Mr. Micheal Clements - <i>(Chief of Party, USAID West Africa Trade and Investment Hub)</i> • Mrs. Ana Vinambres - <i>(Head of Project, EU-GIZ Nigeria Competitiveness Programme. European Union)</i> • Mr. Ayodeji Balogun - <i>(CEO, AFEX Commodities Exchange Ltd)</i>
3:00pm – 3:25pm	Question and Answer (Q & A)	Ms. Yewande Kazeem, <i>(Wandeville Media)</i>
3:25pm – 3:30pm	Closing Remarks	ACIOE Associates



Nigeria Agribusiness Investment Activity

Dr. Adam P. Saffer

MD & Chief of Party

Feed the Future Nigeria Agribusiness Investment Activity



FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative

Recovery Efforts to Mitigate Agricultural Supply Chain Challenges

Nigeria Agribusiness Investment Activity

Date: 25 June 2020

Presenter: Adam P. Saffer, Ph.D.

Managing Director/Chief of Party



USAID
FROM THE AMERICAN PEOPLE



FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative

Feed the Future Nigeria Agribusiness Investment Activity

The Feed the Future Nigeria Agribusiness Investment Activity will strengthen the business enabling environment to promote private sector investment in agriculture.

Total Funding:

\$15.7 million

Duration:

Dec 2018 – Dec 2023



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FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative



Five Target Value Chains:

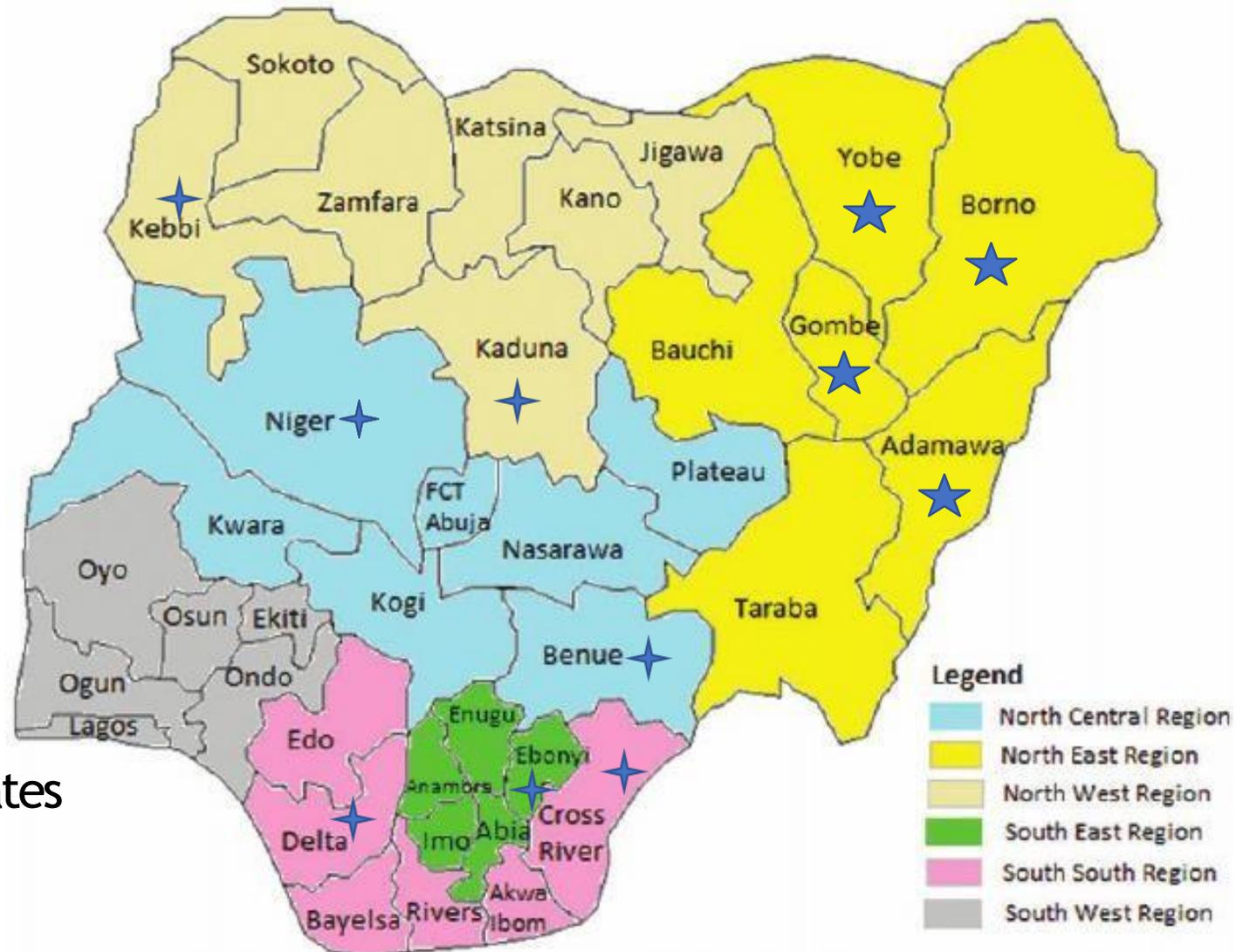
- Maize
- Rice
- Soybean
- Cowpea
- Aquaculture



Geographic Focus

- Benue State
- Cross River State
- Delta State
- Ebonyi State
- Kaduna State
- Kebbi State
- Niger State

(Other FTF Activities include 4 states in the Northeast)





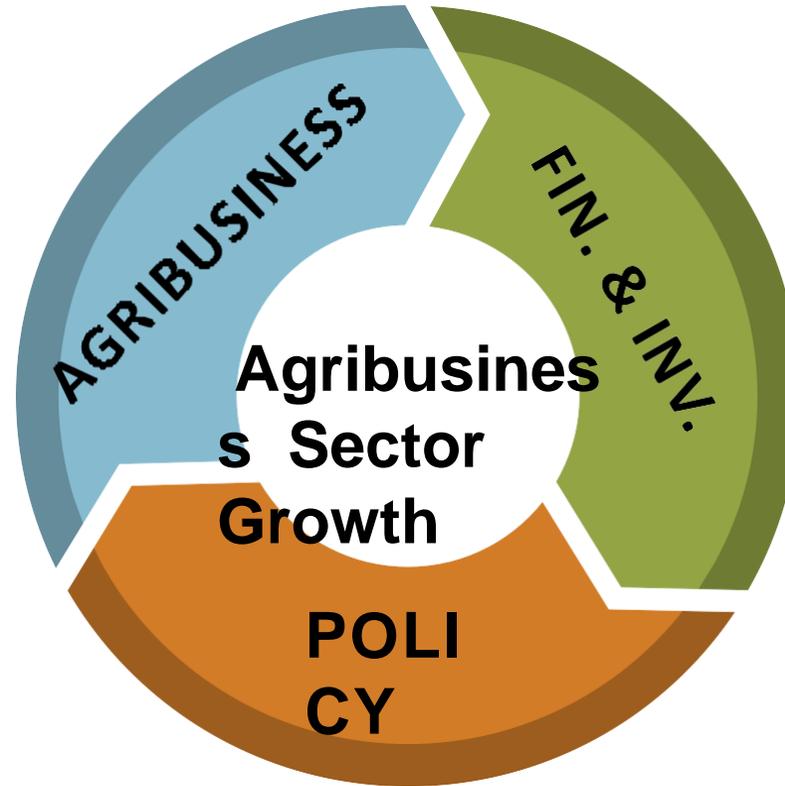
AGRIBUSINESS

The team actively supports the expansion of select MSME agribusinesses across 5 value chains in 7 states through targeted training, technical assistance, and linkages

AGRIPOLICY

The team works with public and private stakeholders at the federal and state levels to improve the business enabling environment by addressing legal, regulatory, and policy issues that hamper the

development of Nigeria's agribusiness



FINANCE & INVESTMENT

The team works with bank and non-bank financial institutions and investors to support finance and investment deal flows between and among large and SME agribusinesses



Key Challenges – Government Policy

- Tremendous effort in developing policies; lackluster results in terms of implementation
- Inconsistent policies and policy application between across the country
- Sub-optimal inter-ministerial collaboration
- Policy development and approval processes
- Sensitisation of approved policies in the MDAs as well as states
- Land: availability, allocation, ownership, clearing, etc.
- Monitoring, Evaluation, and Learning (MEL)
- Frequent and unpredictable priority changes, especially when key decision makers are replaced

Key Challenges – Financial Institutions

- Lack of understanding of the agriculture and agribusiness sectors
- Limited understanding in how to mitigate risks in ag loans and investments
- Limited understanding in how to conduct due diligence on agribusinesses
- Limited use of the Secured Transactions and Moveable Assets (STMA) Act, 2017
- Bad history of poor repayment rates
- Inherent risks in agricultural finance and investment
- Somewhat confusing market (government intervention funds, commercial rates, guarantees, MFIs)
- Opportunity cost of small versus large loans
- During Covid-19, loans have slowed and banks are focusing on restructuring their portfolios

Key Challenges – Agribusiness

Producers

- Traditional ag practices (vs GAP)
- Lack of business skills (financial literacy, strategic planning, marketing, record keeping)
- Overly independent (no coops, entrepreneurs are fiercely independent)
- Access to finance, inputs, markets, and training (incl. extension)
- Covid-19 related restrictions – labor, inputs, transport, etc.

Post-harvest Enterprises (Aggregators, Processors, Distributors, etc.)

- Contract farming does not seem to function well
- Lack of long term (multi-year) commitments between producers and off-takers
- Local “agents” often take advantage of the farmers
- Access to finance



Recovery Efforts – Policy Reform

Federal

- Working closely with FMARD (e.g., NATIP strategic planning committee)
- Working with NCR on improving the awareness and utilisation of the STMA (moveable collateral)
- Working with SEC on the Investment and Securities Act, 2007 (Warehouse Receipts System)
- Working with SMEDAN on the National MSME Policy
- Working with the Ministry of Women's Affairs and Social Development on a new Gender Policy
- Working with NESG on various issues including gender and access to finance



Recovery Efforts - Access to Financial and Investment

- Training of financial institutions in agricultural value chain lending, mitigating risk, conducting due diligence, and outreach to vulnerable populations
- Creating commercially viable business linkages between producer organisations, post-harvest enterprises and financial institutions
- Working closely with industry associations (e.g., RIFAN, MAAN, CAFAN) in facilitating loans and guarantees from commercial banks, microfinance banks, and government intervention funds
- Working with lead firms in sourcing funds to expand their operations, including but not limited to capital investments and better serving their aggregators and/or out-growers
- Working with the implementors in the government intervention funds (e.g., ABP, AGSMEIS, CACS)



Recovery Efforts – Agribusinesses

- Training in GAP to improve yields, reduce losses, and sustainably build profitability
- Training in business principles (group dynamics, leadership, business planning, loan applications)
- Supporting producer organisations access government intervention funds (e.g., AGSMEIS training)
- Assisting off-takers (lead firms) access additional finance so that they can expand their business, resulting in increased commitment to purchase more raw materials from producers
- Expressly promoting the inclusion of women and youth owned and led-agribusinesses (e.g., government, investment, and finance policies)
- Exploring the applicability and availability of agricultural technologies (data, information, mechanization, satellite)



Nigeria
Agribusiness
Investment
Activity

**“A *Value Chain* is
Only as Strong as its
Weakest *Linkage*”**

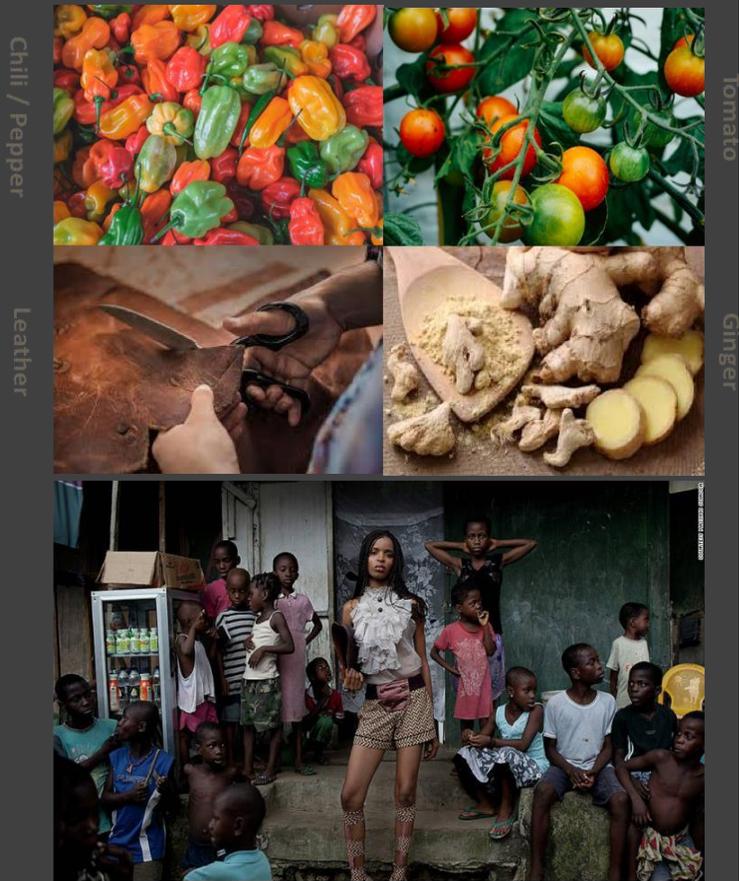
**If you are or know of
organizations that support the
growth and expansion of
Nigeria’s agribusiness and
MSME sectors, especially
those with an emphasis on
women and youth in our 7
focus States, please contact
us at:**

Recovery Efforts To Mitigate Agricultural Supply Chain Challenges: The Role Of Agricultural Development Programs

Ana Vinambres

Head of Project,

EU-GIZ Nigeria Competitiveness Programme, European Union



Garments

Recovery Efforts To Mitigate Agricultural Supply Chain Challenges: The Role Of Agricultural Development Programs

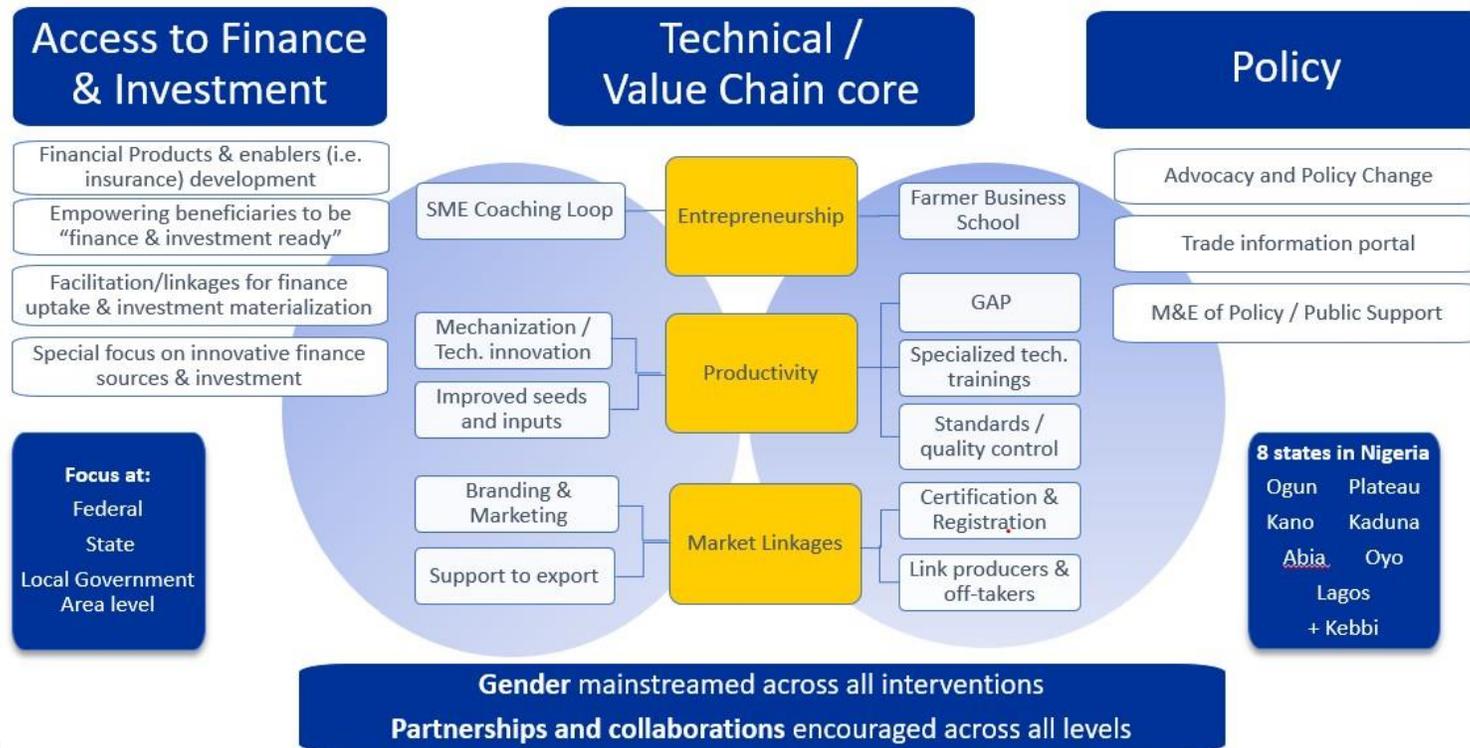


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NICOP Design & Competitiveness for MSMEs

An Integrated Value-chain Based Approach with Focus on Inclusivity and Innovation for Tomato/Chili, Ginger, Leather and Garment



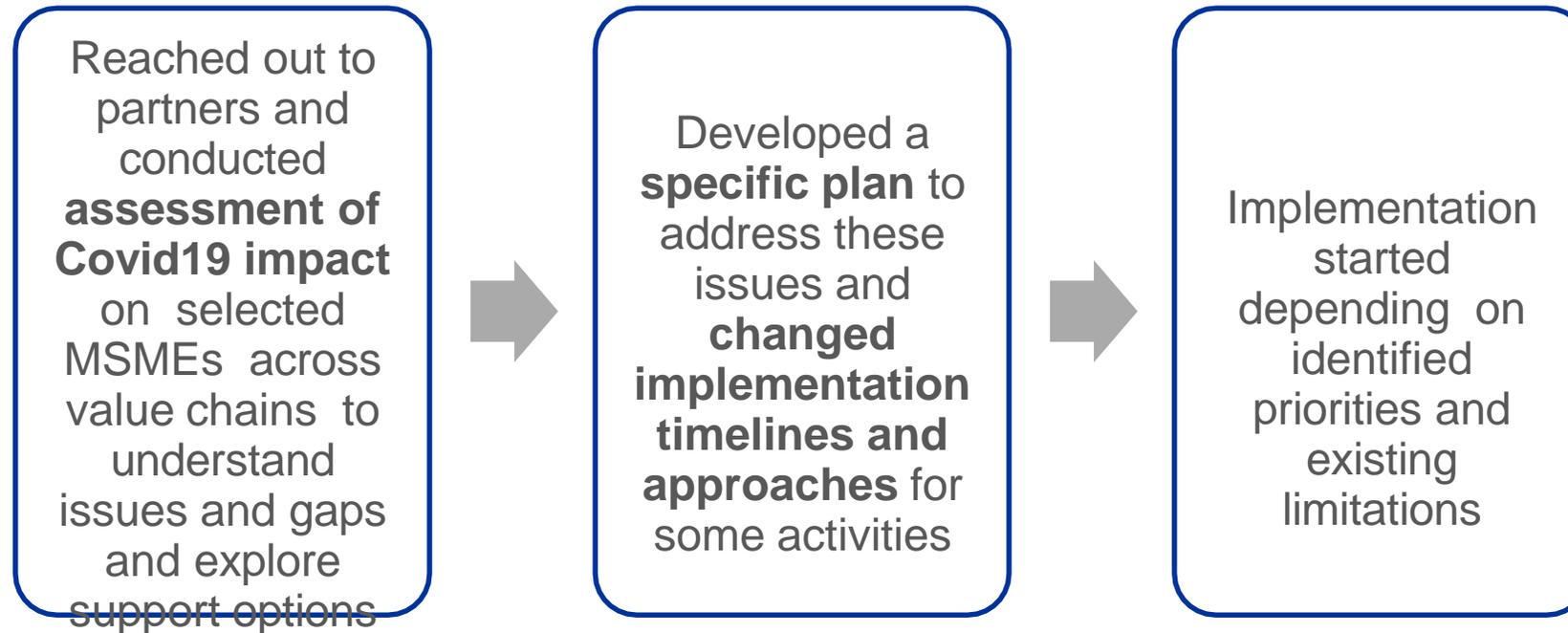


Changes on NICOP's implementation due to Covid19pandemic

- **Switching priorities** from long term development objectives to immediate health, **food crisis and emergency response** and **medium term recovery** efforts
- **Direct support to SHFs** through intermediaries, local partners and inclusive business for added reach and enhanced sustainability
- Realigning priorities to ensure **basic food production and value chains** flow continue
- Readjust **budget lines to better target response** (i.e. from local subsidies to direct procurement)
- Training/capacity building to SHFs focusing on more **reduced training groups** while observing social and health measures and moving to **online** where possible
- Workshops, networking and stakeholder interactions moved online



NICOP's Approach to Covid19 Response





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Short Term

Generic Measures

- All NICOP trainings conducted with the laid protocols by MoH/NDCC and/or online interaction whenever possible
- Developing **training programs** through other platforms like **radio**, using **SMS** platforms to set up farmer helplines and developed **virtual content**
- **Leveraged on aggregators, processors/partners** to reach farmers
- **Direct assistance** to improve supply chain of input materials and accessories for production of **face masks** and linked them with supported farmers

Critical and Specific Measures

- **Immediate Liquidity Issues:** Supported access to CBN Covid19 targeted facility: 100% of our proposals submitted were approved for disbursement; Fintech and online payment solutions actively explored
- **Access to raw inputs:** Supported farmers and aggregators to access funds and delivered training on compost production
- **Access to markets:**
 - Facilitated linkages to open markets
 - Identified and developed collection centers closer to producers
 - Supported further processing and value addition closer to the farms
 - Introduced receipting systems
 - Expanded schemes that transparently link farmers with retailers, reducing opportunities for profiteering



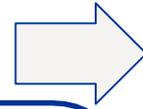
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Medium Term

Financi

- Setting-up of the online platform for coordinated Covid19 Impact Investment responses including the establishment of advisory and facilitation for our MSMEs: **Covid19 Impact Consortium**
- Supported creation of **Impact Investment Relief Facility**
- Supported creation of **Shared Emergency Liquidity Facility** for inclusive business
- Explored **more flexible and responsible sources of finance**



Polic

- **Mapping states and federal response** to Covid19 for peer learning and alignment
- Inclusion of the **economic impact** of Covid19 and policy responses in ongoing analysis of **national and state policy frameworks**
- Engaging with state governments to support the development of appropriate **policy response to address the impact** of Covid19 pandemic on the state economy and particularly MSMEs in selected VCs
- **Public-private sector engagement** around Covid19, development and implementation of appropriate policies and measures targeting selected sectors in selected states
- **Peer learning and federal state linkages** on addressing the economic impacts of Covid19 on MSMEs and



Technic

- Local subsidies shifted to direct procurement to enable farmers and clusters to add value, further process produce and improve quality
- Medium term support towards equipment for commercial production of appropriate PPE's with SME in garment cluster, as well as ultrasonic equipment for production of disposable masks



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Long Term

Collaborations and partnerships are the keywords!



- **Engagement with state governments** to support the development of appropriate policy response to address the impact of Covid19 pandemic on the state economy and particularly MSMEs
- Ongoing support to **donor coordination groups** (agric, private sector development, trade, etc) and **partners collaboration** on economic policy and private sector development
- **Covid19 Impact Consortium** with online, advisory, facilitation and information sharing platforms
- Exploring **collaborations with private and public sector partners**
- Evaluating potential collaboration and synergies with organisations focusing on support towards regional production of wider range of professional **PPE** in line with recognised legal standards



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Opportunities and initiatives to promote resilience and sustainability in agricultural supply chains (I)

- Explore **more flexible and responsible sources** of investment, including impact investment, patient capital...
- Support **investment ecosystem** to mainstream/facilitate investment
- **Prioritize inclusive**

Investment



- Explore **innovative sources of finance** throughout VC: input finance, warehouse receipt, trade finance, franchising, crowdfunding...
- **Reinforce oftaker / processors agreements** for win-win
- Strong uptake of **insurance**

Agricultural Finance



- **Trade policy/BEE reassessment** to inform interventions/policy **recommendations review** to partners
- Exploration of collaborations with programmes & public/private sector partners to support measures to help **streamline trade procedures** and facilitate **internal and external trade**

Trade





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Opportunities and initiatives to promote resilience and sustainability in agricultural supply chains (I)

- **Backward/forward integration essential** for food security
- Reinforce approaches around **group formation, contract farming training, market linkages**
- Active introduction of **innovation, technology and data analytics**
- **Local production of quality farm inputs**

Value Chain integration



- Must be included as an **essential support area** on value chain development
- Critical to keep **trade flowing** and value chains working effectively
- Explore **logistics partnerships**
- Considering **cold chain development** support
- Consider **technology and innovation** introduction

Logistics Support





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Thank you for you attention
ana.vinambres@giz.de



Recovery Efforts To Mitigate Agricultural Supply Chain Challenges: The Role Of Agricultural Development Programs

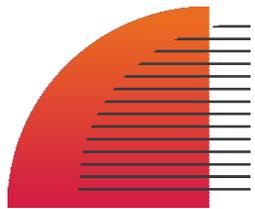
Mr. Ayodeji Balogun

CEO

AFEX Commodities Exchange Limited



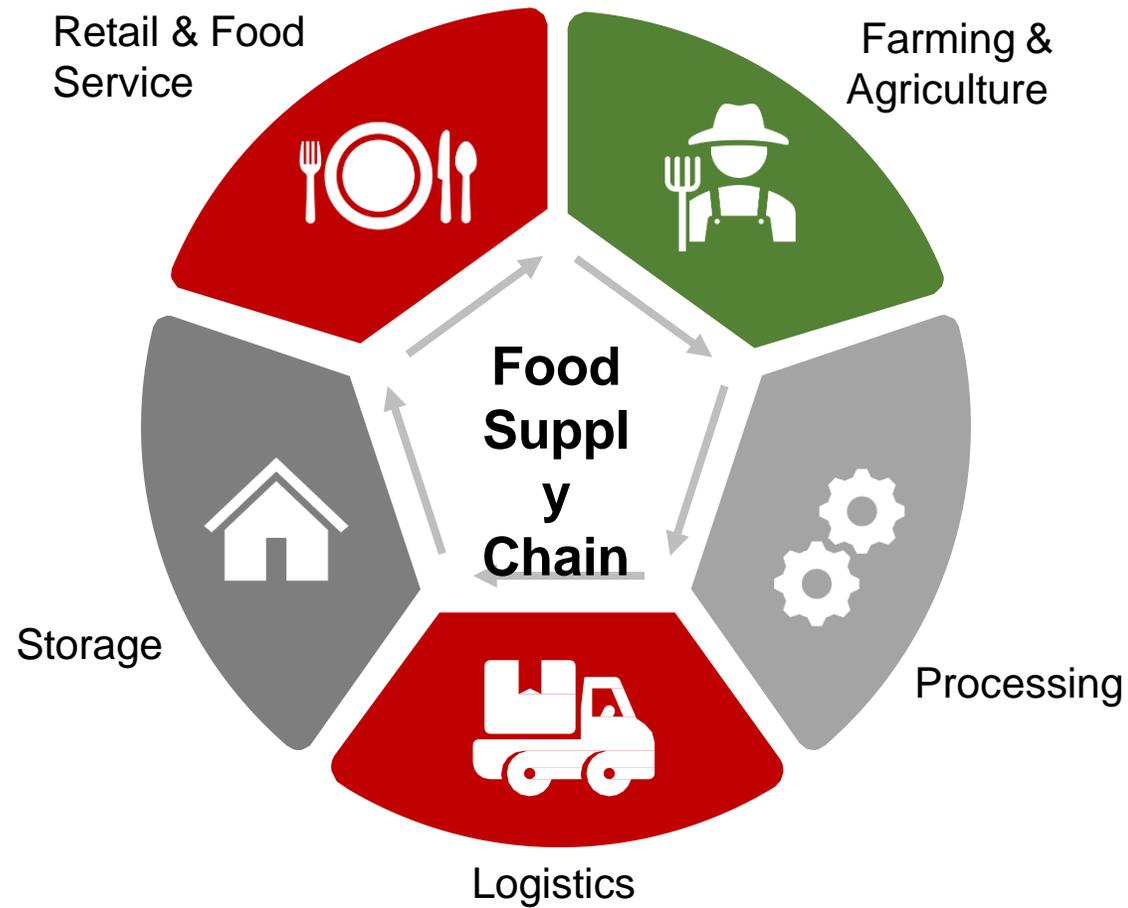
**Recovery Efforts To Mitigate
Agricultural Supply Chain Challenges:
The Role Of Agricultural Development
Programs**



**High-Level Insights, Recovery
Efforts and Scale Adaptations**



- **Nigeria's Agricultural Supply Chain**
- **Key Challenges to an Efficient Agricultural Market in Nigeria**
- **Market Interventions to Counteract Inefficiencies**



Nigeria's Agricultural Supply Chain

The food supply chain involves farmers, producers, consumers, agricultural inputs, processing and storage, transportation and marketing etc.

Key Challenges to an Efficient Agricultural Market in Nigeria

Key challenges	Description
Limited access to financial services	 <p>Smallholder farmers have low access to funds, government interventions have not been sustainable (expensive, non-inclusive, insufficient and delivered with poor execution)</p> <ul style="list-style-type: none"> • CBN's Anchor Borrower Program (ABP), Growth and Empowerment Scheme (GES)
Poor infrastructure	 <p>Midstream logistics e.g. warehouses are lacking in investment</p> <ul style="list-style-type: none"> • Privatization of Silo complexes have been on for 4 years, and have just been approved (Sept 2018) • Most agrarian communities lack functional road and rail connections
Inefficient supply chains	 <p>The supply system from registration to distribution has many leakages</p> <ul style="list-style-type: none"> • This has led to a 300,000 MT gap between demand and supply of seeds, about 10 million MT gap in grains, increasing food import costs, and declining capacity utilization of processing plants
Limited market access	 <p>Imports and Exports</p> <ul style="list-style-type: none"> • Nigeria is susceptible to illegal food imports, suffers from uncoordinated exports and rejections • Fragmented production, poor infrastructure and weak supply chain isolates producers from markets
Fragmented market structure	 <p>Scale inefficiencies</p> <ul style="list-style-type: none"> • Agriculture in Nigeria is dominated by subsistence agriculture & small-scale farming with more opportunity for scale; aggregation is weak and the commodities exchange markets are nascent
Low institutional coordination	 <p>Insufficient coordination between Federal and State Governments; Fiscal and Monetary policy makers</p> <ul style="list-style-type: none"> • Poor policy design, little to no stakeholder engagements • Little to no M&E and an absence of program delivery unit at government levels

Market Interventions to Counteract Inefficiencies

Support Production via last-mile delivery of inputs to farmers leveraging on businesses with a connection to farmers.

Structure lines of credit to support the procurement of industries utilizing commodities.

Provide lines of credit to support production by FMCG's producers.

Trigger export credit guarantees and insurance to sustain the export of commodities and ensure FOREX.



GROWING MARKETS | CONNECTING TRADES

THANK
YOU

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