

The Nigeria Rice Investment Forum:

Creating the Enabling Environment for Increased Rice
Production in Nigeria and West Africa

Transcorp Hilton, Abuja, Nigeria, 24th – 25th November, 2008



Forum Report



NEPAD Business Group - Nigeria (NBGN)
The Nigeria Economic Summit Group (NESG)

CONTENT

1 INTRODUCTION

- ❖ Welcome Address by the Chairman, NEPAD Business Group – Nigeria
- ❖ Opening Remarks by the Hon. Minister of Agriculture & Rural Development
- ❖ Keynote Address by the Vice President, Dr. Goodluck Jonathan, GCON
- ❖ Goodwill Message by the Special Adviser to the President on NEPAD
- ❖ Goodwill Message by the Speaker of the House of Representatives
- ❖ Vote of Thanks by the Executive Director of the NEPAD Business Group Cote D’Ivoire

2 PLENARY SESSION

- ❖ **Presentation:** Overview of rice in West Africa - O. Ajayi, Coordinator, Africa Rice Center (WARDA), Nigeria
- ❖ **Issues, Question and Answers**

3 TECHNICAL PAPERS

- ❖ **Paper 1:** Comprehensive analysis of the Rice Sector in Nigeria and West Africa (Case scenerios from Nigeria, Mali and Cote D’Ivoire)
 - **Presenter 1:** Comprehensive Analysis of the Rice Sector In Nigeria - Dr. Ochigbo, Director, NCRI
 - **Presenter 2:** An Overview of the Rice Sector in Nigeria and in West Africa: The Case of Mali - Musa Yara, NEPAD Business Group, Mali
 - **Presenter 3:** General Overview of the Rice Sector in Nigeria and in West Africa: The Case of Cote D’Ivoire - M. Gerard Amangoua, Executive Director, NEPAD Business Group Cote D’Ivoire
- ❖ **Paper 2:** Highlights of investment opportunities in SMEs for rice production, processing and marketing in Nigeria - Mr. Emmanuel Ijewere, Chairman, Agriculture & Food Security Policy Commission, NESG
- ❖ **Issues, Questions & Answers**

4 BUSINESS/FINANCIAL CONSULTATION

5 CLOSING REMARKS

6 KEY RECOMMENDATIONS

1 INTRODUCTION

The Nigeria Rice Investment Forum organized by the NEPAD Business Group Nigeria (NBGN) and the Nigeria Economic Summit Group (NESG) in collaboration with NEPAD Nigeria, the Federal Ministry of Agriculture and Rural Development, ECOWAS Commission, Bank of Industry, Rice Farmers' Association of Nigeria (RIFAN) and NEPAD Business Group West Africa, was held at Transcorp Hilton, Abuja, Nigeria, on Monday, 24th and Tuesday, 25th November, 2008 at 10:00am.

The forum was organized to discuss issues constraining the private sector's involvement in production, processing and marketing of rice; financial policies and practices affecting rice production and processing; and how the public sector should respond through policy frameworks and sub-regional collaboration.

Welcome Address by the Chairman, NEPAD Business Group Nigeria

The Forum kicked off with a welcome address by the Chairman, NEPAD Business Group Nigeria and Co-Chairman NEPAD Business Group West Africa, Mr. Goodie Ibru, OON, who described the forum as a thing of joy and fulfillment. He described the conference theme as thoughtful and imaginative and expressed the hope that the Forum will arrive at innovative solutions towards achieving rice self sufficiency in the region. While welcoming participants to the forum, he recognized the presence of top government officials at the meeting, which to him, shows the high level of commitments by present administration towards increased rice production in Nigeria and the West African region. He further recognized the presence of development partners and commended the roles played by the Nigerian Economic Summit Group (NESG), other co-organizers, sponsors and members of the organizing and technical committees in making the meeting a reality. He concluded by charging participants to come up with design innovative, workable and bankable solutions to the rice problem.

Opening Remarks by the Hon. Minister of Agriculture & Rural Development

The Honourable Minister for Agriculture and Rural Development, Dr. Abba Sayaddi Ruma, who was represented by the Permanent Secretary of the Ministry of Agriculture and Rural Development, Prof. Dapo Abraham Afolabi, delivered the Opening Remarks. The Minister noted the relevance of the forum to the growing concerns generated by the global economic down turn and climate change. He informed participants that Nigeria produce about 2.3 million

metric tonne of rice annually but consumes about 6.5million metric tonnes, thus running a deficit of 4.2 million tonnes annually. The Minister then said that rice farmers would be empowered and organised to access credit facilities, while the Government would provide the needed infrastructure with the ₦10bn credit scheme provided by the government, which has 4% interest rate, 15yrs repayment plan and 5 years moratorium. This he said will create about 8000 direct and 12000 indirect jobs and will generate ₦800m annually from importation. He therefore called on the private sector to collaborate in the areas of accessing credit facilities and the building of rice processing factories. In his concluding remarks, he charged the participants to come out with inputs that will lead to better service delivery, proper utilization of subsidy and applications for utilizing rice waste - like generating power from the rice husks.

Goodwill Message by the Special Adviser to the President on NEPAD

The Special Adviser to the President on NEPAD and Head of NEPAD Nigeria, Amb. Tunji Olagunju, in his goodwill message, described the Forum as a good example of partnership – the coming together of stakeholders to proffer solutions. Amb. Olagunju, said that the challenges faced in the production of rice were rural infrastructure, technology, markets and funds to boost production. He said that there is therefore, the need for better coordination of efforts towards enhancing the value-chain in rice production in Nigeria. He confirmed to the participants that *“Today, we can proudly announce that the New Rice for Africa - NERICA - has been tested and found to be ideal for our climatic conditions”* and charged them to take full advantage of the NERICA rice since this will help in ensuring self-sufficiency in rice production. He therefore urged Governments in the West African sub-region to pursue the 2003 Maputo Declaration, which asked African Union members to dedicate at least 10 per cent of their national budgets to agriculture.

Goodwill Message by the Speaker of the House of Representatives

In another goodwill message, the Speaker of the House of Representatives, Dimeji Bankole, who was represented by Barr. Benga Makanjuola, noted that food security was central to the attainment of the ideals of sustainable human development and the Millennium Development Goals. He said that the House recognized the need to spearhead the move to end the spectre of hunger in Nigeria by ensuring higher appropriation to the agricultural sector. Allocations to the sector, he said further, had hovered at an average of seven per cent of the national budget for many years. He informed the Forum that the House of Representatives will expedite action on Bills that will impact positively on Nigeria’s agricultural sector. He affirmed that the House was prepared to appraise the 1978 Land Use Decree with a view to amending its provisions and

enhancing its capacity to stimulate agricultural production for commercial and domestic consumption. On a final note, the Speaker commended the organizers of the forum for creating an enabling environment to share experiences on rice production.

Keynote Address by the Vice President, Dr. Goodluck Jonathan, GCON

The Vice President's keynote address was delivered by Mr. Ademola Sariki, the Minister of State for Agriculture and Rural Development, who also doubles as the Supervisory Minister for Solid Minerals. The Vice President noted that issues concerning rice are issues that affect the lives of Nigerians and West Africans, since rice is a major staple food in the sub-region. He insisted that the current regime of rice importation must stop and that rice farmers must be empowered to meet local demands. The Vice President observed that the last administration had in an attempt to increase production distributed R-Boxes containing seeds and instructions as inputs for farmers. He enumerated some of the efforts by the present administration as stimulating R&D on rice through a competitive rice research and development fund accessible to all who qualify, increasing processing capacity through a N10bn rice processing fund. He finally called on the private sector to partner with the government in moving the rice sector forward.

Vote of Thanks by the Executive Director of the NEPAD Business Group – Cote D'Ivoire

The Executive Director of the NEPAD Business Group Cote d'Ivoire, Mr. Amangoua Gerard, who gave the vote of thanks, recalled that ECOWAS organized a historic event in Mali, which laid a concrete foundation for regional cooperation on production, processing and marketing of rice with the view to reducing importation, saving foreign exchange and creating co-enterprises to avoid the rice importation. He thanked the government and people of Nigeria for their hospitality and the organizers for a well organized opening event. He further thanked all who have contributed to making the event a reality, including several public and private sector institutions like the diplomatic missions and development partners. Finally, he thanked the Vice President for his presence at the meeting.

2.0 THE 1ST PLENARY SESSION:

Chair: His Excellency, Dr. Babagida Aliu, Executive Governor of Niger State

Panelists: Deputy Governor of Kaduna State; Chairman of Rice Farmers Association of Nigeria (RIFAN); Mr. Emmanuel Ijewere, NESG; Mr. Goodie Ibru, Chairman NBGN; Prof. Richard M. Mkandawire, Head CAADP & NEPAD Agric Advisor; ECOWAS Commissioner for Agriculture; ECOWAS Commissioner for Macro-Economic Policy & Representative of Olam Nigeria Limited

The 1st plenary session discussed constraints on rice production, processing and marketing; effects of financial policies and practices on rice production and processing; and the expectations of stakeholders from the public sector in terms of policy framework. In order to kick start the session, a presentation on the overview of rice in West Africa was done.

Presentation: Overview of rice in West Africa

Presenter: Dr. O. Ajayi – Coordinator, Africa Rice Center (WARDA) Nigeria

As an introduction to the paper, the presenter listed the importance of rice in West Africa thus:

- Rice has become a staple food
- Demand has more than doubled in 20 years
- West Africa produces 65% of total rice produced in Sub-Saharan Africa
- Annual growth rate of production is 5.06%
- At 6.55%, consumption is increasing faster than production
- The shortfall of 42% is imported

He noted that Nigeria, South Africa, Côte d'Ivoire, and Senegal are among the world's leading ten rice importing countries in the world with Nigeria import standing at 5.6% of the world total.

The presenter noted that the global rice crisis has resulted in four times increase in price levels between 2003 and 2008, projected price increase of between 2.5% to 3% per year till 2016, current global production levels going below consumption levels, global rice stocks becoming very thin, governments of Asian rice producing countries placing embargo on rice export from Asia and the problem of availability & accessibility

In analyzing the vulnerability of West Africa's to the rice crisis, the presenter noted the fact that the Sub-Saharan Africa rice sector sustains 100 million

people and provides employment for more than 20 million small-scale farmers. He noted further that West Africa consumed 9.87 million tons of rice in 2006 while producing 6.24 million tons with average per capita consumption of 24 kg and self-sufficiency ratio of 58% (2001-2005). He identified urbanization as the main factor driving rice consumption and observed that rice has now become a staple and not luxury food in the sub-region.

He also observed that the institutional environment of West African rice sector is characterized by weak policy and institutional supports, weak institutions supporting rice production and post-harvest operations, and bad trade policies.

The policy responses by governments in the sub-region to the global rice crisis were identified as temporary reduction or suspension of customs duties and taxes on imported rice, price controls, bans on grain export, retail prices subsidies, release of food security stock, subsidies on inputs to farmers and the establishment of minimum producer price.

The presenter identified competitiveness of domestic rice production, natural endowment and technological potential for rice production as the main factors that present opportunities for enhanced rice production.

Critical challenges to the development of the West African rice sector were identified as seed production and access, and post-harvest technology. The options for boosting domestic rice supply were categorized into short, medium and long-terms. Dr. Ajayi listed the required short term measures as seed relief and seed multiplication programs, support NARS and producer groups, access to critical inputs, access to improved post-harvest technology and regional coordination of rice sector development. The medium term measures were listed as dissemination of improved crop management practices, reduction of constraints to seed availability, rehabilitation of existing irrigation facilities, investment in rice research and capacity building and sensitization of important lobby groups, while the long term measures are investment in new irrigation facilities and investment in rural infrastructure to facilitate access to markets.

In conclusion Dr. Ajayi noted that there are several options and not a one-size-fits-all solution, and that these solutions depend on the condition of each country and the relative importance of rice in the economy.

He however advised that the objectives should be to reduce reliance on imports while accelerating domestic production, putting measures in place to achieve higher yields per hectare, increasing areas under irrigated rice production and improving the quality of domestic rice.

Issues, Question and Answers

Following the presentation by Dr. Ajayi, the panel chaired by His Excellency, Dr. Babagida Aliu, Executive Governor of Niger State, invited inputs from participants. Below were the issues raised, suggestions made, questions raised and answers proffered.

The Honourable Commissioner for Agriculture, Ondo state, raised the issue of inadequate support for land clearing, especially for planting rice to which the Chairman responded that the onus lies on states to come up with bankable proposals.

Mr. Omotayo, the Honourable Commissioner for Agriculture in Ekiti State, noted the need for the N10bn rice processing funds to be properly utilized by the Federal Government making sure that the money gets to the hands of the real farmers. He further observed that there have been several dialogues on agriculture in the country and urged that these dialogues be translated into actions.

The representative of Kano state government harped on the need for appropriate legislation and policies to protect the local rice industry. In his response, the Chairman recapped what happened to petroleum, garments and cotton industries, where a cartel caused the death of the local industries. He reemphasise the need for stakeholders to come together and get government to pass legislations and policies that will protect the local rice industry.

In his contribution, NDDC representative appealed to government to subsidise agriculture in line with what developed countries (USA, EU, etc) are doing. He noted that there is urgent need to invest in land development, and seeds research, development and production.

Mrs. Elizabeth, a participant from Benue State, pointed out the need for government to assist in developing land and allocating same to real farmers. She noted the non availability of irrigation infrastructures and asked government to establish new irrigation projects while making haste to complete abandoned irrigation projects. Going further she also noted the urgent need to strengthen Small and Medium Enterprises (SMEs) and community associations by assisting them in the areas of product processing and marketing.

While speaking on behalf of her NGO, Dynamic Women International, Chief (Mrs.) Dorhety asked two rhetorical questions - will rice go the way of cassava where cassava was politicised and will there be continuity? In response, the Chairman noted that the politicization of casava came as a result of export, and harped on the need for standards.

His Royal Highness, Kene, a traditional ruler and participant from Bayelsa state informed the forum that he has established 7 hectares of rice farm which is offering employment opportunity to the youths in his community. He urged the government to discourage importation of rice while making sure that monies and subsidies provided for rice production go directly to the actual farmers.

Dr. (Mrs.) Obasi, Commissioner for Agriculture and representative of the Governor of Abia State in her contribution, noted the need for government to come up with deliberate policies and programs that will attract youths into agriculture since the present stock of farmers are aging. She further urged the government to make agriculture attractive by giving inputs and money to real farmers.

Chief Audu Ogbe, former PDP chairman and a rice farmer of repute, in his intervention noted that there is no way Nigeria will survive at the current rate of importation. He pointed out that one shiplaad of imported rice dispossesses 7,000 Nigerians of gainful employment and urged the federal government to stop importation of rice, sugar and starch, since these products can be produced locally with the attendant benefits to the local economy. Chief Ogbe advised the government to go back to agriculture, mechanise it, and make it the bedrock of our national economy.

Mr. Musa Mohammed, Special Adviser on Agriculture to the Bauchi State Governor raised a point on developing agriculture through irrigation and noted the current problem with the Kazan Zanki dam that was constructed for Bauchi, Jigawa and Yobe states. He asked government to look into the land use act. Reacting, the Chairman was of the opinion that proper sensitization would have solved the problem of the Kazan Zanki dam.

A Member of RIFAN, Lagos State, Mr. Segun, in his contribution observed that in order to attain self-sufficiency in rice production, budgetry allocation for agriculture need to be increased, cost of loans from commercial banks has to

reduce to an acceptable level, local processing capacity need to be increase through acquisition more rice processing machines and the need to increase production through mechanization – acquisition of tractors, harvester, etc.

Mr. Tayo Oti, Chairman RIFAN, Oyo State, identified some of the issues affecting the rice sector as inadequate facilities for rice processing, lack of irrigation infrastructure, high cost of land preparation, politicization of government support for agriculture (funds and tractors).

Patrick Yakowa, Deputy Governor of Kaduna state, on his part, emphasized the need for States and the federal government to work together towards providing the necessary enabling environment that will attract investors to the rice sector.

While emphasising the need to explore the Public Private Partnership (PPP) model in the rice sector and capacity building programs for rice farmers, the representative of Olam Nigeria noted that in order to achieve self sufficiency in rice production, efficiency, in terms of yield per hectare, and the total cultivated land mass, need to be increased.

The representative of Ofada Veetee Rice called on government to provide incentives to farmers and noted that processors are key players that will determine the success of any self sufficiency program on rice.

Mr. Kola Masha of Notore Chemical Industries Limited recommended that the private sector should take over management of farm subsidies with oversight from government and asked government to encourage Nigerian farmer through appropriate incentives.

Prof. Adeyemi, drew the attention of the Forum to the need to locally fabricate farm processing equipment. He noted that if these equipments are produced locally, more jobs will be created and foreign exchange will be conserved.

In his vote of thanks, a panelist, Mr. Emmanuel Ijewere of NESG, said that he was proud to be associated with the Forum and commended participants for their useful contributions. He however noted that there is need for accountability and openness in terms of support and funding for agriculture and urged the States to encourage private investors in agriculture. While informing the forum that NESG is willing to enter into partnership with states, Mr. Ijewere

noted that Nigeria can only move forward if we focus on value addition and wealth creation

The Chairman, His Excellency, Dr. Babagida Aliu, Executive Governor of Niger State, thanked the presenter, panelists and all participants for their contributions towards making the session a useful and rewarding experience.

3. TECHNICAL PAPERS

Session Chairman: Chief Audu Ogbe

Paper 1: Comprehensive analysis of the Rice Sector in Nigeria and West Africa
(Case scenerios from Nigeria, Mali and Cote D'Ivoire)

Presenters: Dr. Ochigbo, Director, NCRI – Nigeria, Musa Yara, NEPAD Business Group, Mali – Mali, and M. Gerard Amangoua, Executive Director, NEPAD Business Group, Cote D'Ivoire - Cote D'Ivoire.

Presentation 1: Comprehensive Analysis of the Rice Sector in Nigeria - Dr. Ochigbo, Director, National Cereals Research Institute (NCRI), Nigeria.

In his introduction, Dr. Ochigbo noted that rice has moved from being a ceremonial to a staple food for both rural and urban dwellers in Nigeria. He observed that rice is the only crop grown in all the ecological zones of Nigeria, adding that with a potential rice land of 5million ha in Nigeria, only 2million ha is presently being cultivated.

The presenter observed that the rice sector in Nigeria is characterized by weak and inefficient producer/market linkage, poor infrastructure, low productivity, poor harvesting, threshing and storage, poor access to/high cost of inputs, inadequate market information, lack of quality standard and branding, and poor distribution method.

Dr. Ochigbo listed the main thrust of rice research in Nigeria to as the development of early to medium maturing varieties, development of rice varieties at minimum inputs levels, development of varieties resistant to pests, diseases and other environmental stresses and development of varieties with good grain qualities. He said that research is carried out using an interdisciplinary approach that include breeding, agronomy, soil improvement, post-harvest technology, processing, utilization, socio-economic studies extension, and integrated pest and disease management.

Rice production in Nigeria, he noted, is a labour intensive enterprise. With a current consumption of 5.5 million metric tonnes and domestic production of 3.5 million metric tonnes, the result is a shortage of 2.0 million metric tonnes per annum. The Nigerian rice production sector is dominated by small holder

resource-poor farmers who practice subsistence farming with traditional and obsolete equipments using traditional low yielding varieties with low market value. He however told participants that with appropriate inputs some farmers have been able to achieve yield increase from 1.5mt/ha to 4.0mt/ha.

In conclusion, Dr. Ochigbo noted that rice production in Nigeria is not sufficiently market driven because of poor processing, poor branding and packaging leading to low patronage of local brands by Nigerians. He called on government to maintain consistency in policy formulation and implementation for sustainable rice production. Finally, the presenter noted that a good rice production programme will produce food, raw materials, generate employment, and ensure food self-sufficiency and food security.

Presentation 2: Musa Yara, NEPAD Business Group, Mali.

Mr. Yara commended the organizers for organizing the Rice Forum and thanked them for inviting Mali to share experience. In his opinion, the Rice Forum is a laudable initiative that should be organized annually. He indicated that Mali has already taken some of the step mentioned by participants during the plenary. These steps include mobilizing youths and women, local fabrication of equipment, providing subsidies, among others. He indicated that these initiatives have enabled Mali to achieve great success in rice production. He informed participants that Mali has put in place the right environment and incentives for rice production, and therefore called on investors, especially Nigerians, to take advantage of the opportunity.

Mr. Yara noted that real development in Africa starts with wealth creation through agriculture and concluded that the rice forum is a major step in the creation of enabling environment for rice production, and ultimately, wealth in West Africa.

Presentation 3: General Overview of the Rice Sector in Nigeria and In West Africa: The Case of Cote D'Ivoire - M. Gerard Amangoua, Executive Director, NEPAD Business Group, Cote D'Ivoire

Mr. Amagoua noted that agriculture is one of the main pillars of the NEPAD framework and commended the cordial relationship existing between the NEPAD Business Group Nigeria and NEPAD Business Group Cote D'Ivoire.

In his presentation, Mr. Amangoua informed the forum that Cote D'Ivoire, with a population of about 20 million, half of which are youths, imports 800,000 tonnes of rice per year (3rd largest importer of rice in West Africa after Nigeria and Senegal). He estimated that by 2012 the country would need about 1.7 million tonnes.

He further informed the Forum that the government has put in place a national program on rice production with the aim of meeting 100% of processed white rice needs locally in the shortest possible time (2008-2012). This he said will be achieved through government support to farmers through R & D, infrastructure, grants, loans to farmers and supply of other necessary inputs. In this wise, Mr. Amangoua indicated that there are Action Plans for production, processing, marketing, capacity building, funding and legal framework.

Mr. Amangoua concluded by emphasising the need for Côte D'Ivoire, as an importer of rice in 2008, to achieve self-sufficiency in rice production with the possibility of export to other countries in the sub-region by 2012.

Paper 2: Highlights of investment opportunities in SMEs for rice production, processing and marketing in Nigeria.

Presenter: Mr. Emmanuel Ijewere, Chairman, Agriculture & Food Security Policy Commission, NESG.

In his 7 part presentation, Mr. Emmanuel Ijewere stated that some of the reasons why Small Medium Enterprises (SMEs) should invest in rice production, processing and marketing are to make a living, make money and be rich, contribute to economic growth (GDP) and take advantage of existing and potential opportunities. He went further to assert that there are more opportunities for SMEs in the Rice Sector as a result of unmet demand – over 2 million tons of finished rice imported annually and shortage of supplies from Asia creates opportunity to increase local production; increased Federal and State Governments' support - N10billion soft loan for SME milling clusters, N400m released in 2008 to rice farmers, Federal Government is expected to launch a N200 billion bond in the capital market for on-lending to commercial rice farmers and Commodity marketing boards to make marketing easy for SME farmers and processors; increasing support from Development Partners - USAID/MARKETS Project, PrOpCom-DFID, Africa Rice Center, and ADB NERICA project; Advocacy for policy reform involving Public-Private

Dialogue (PPD) initiatives on the rice sector - such as the NESG Rice Network to improve communication between Government and private sector thus reducing policy inconsistencies; and strong sectoral growth potentials – it is estimated that agricultural investments including rice would grow at the rate of 10%-15% between 2008-2011 as a result of the aforementioned.

Mr. Ijewere, however observed that despite the above opportunities, there still exist constraints. He listed the constraints as inadequate policy and enabling environment, small scale operations (SMEs need economies of scale), and lack of requisite knowledge, capacity and skills to own and successfully manage their rice business.

The presenter brought to the fore the need for government agencies and other stakeholders to play facilitating roles in the rice sector, and listed some strategies for facilitating and exploiting investment opportunities to include provision of information and knowledge, networking to improve access to markets, advocacy and interest representation, and establishment and build partnership between the public and private sectors. He told the Forum that the NESG is playing its role as a facilitator through its Agriculture and Food Policy Commission, and briefly explained some of its activities through the Nucleus Estate Initiative, Annual Agriculture Summits, and the NESG Rice Network.

In conclusion Mr. Ijewere, observed that despite current challenges, there are lots of opportunities for SMEs to invest in rice production, processing and marketing in Nigeria and advice stakeholders to see these challenges as opportunities in disguise. He went further to advice that RIFAN should engage with MicroFinance Banks and CBN in order to procure necessary finances for its members.

Issues, Questions & Answers

Prof. Isaac A. Adeyemi, in his contribution, called for different processing options that will take care of the needs of small scale, medium scale and large scale processors. While emphasizing the need to train technical personnel on how to handle and maintain imported processing equipment in the short term, he noted that the best result can only be achieved by identifying and encouraging local equipment fabricators. He went further to advice that the Abakiliki Rice Processing Model should be studied and adopted. He noted the importance of

by-products from the rice industry and asked stakeholders and government to look into their proper and beneficial utilization.

Dr. Rotomi Fashola, Consultant to Lagos State on Rice for Job Initiatives, informed the Forum that the Lagos state rice initiative, the Rice for Job Project, started this year and has provided 1500 direct and 5000 indirect employment. He said that the initiative covers the production and processing stages and combines the Nucleus Estate model with the Industrial Outgrowers model. He advised other states to adopt this combined model and expressed the willingness of Lagos state to share experiences with them.

Dr. Jacob Kolo, NEPAD Coordinator for Niger State, observed that if all the useful contributions from participants in the Forum are implemented, the level of rice production, processing and marketing would never remain the same. He advised that a definite time should be set for banning or making rice importation unattractive in Nigeria.

In his comment, Alh. Musa Suleiman Shanowo, Kano state Commissioner for Agriculture, noted the Forum that even though ADPs in most of the states are grossly underfunded, Kano state has rehabilitated all the infrastructure, converted staff from contract to permanent, pensionable, and adequately funded extension workers and provided them with the necessary material and equipment to work with. He added that as a result of these, agricultural yield have increased from 1.9 to 4 million tonnes annually.

4. BUSINESS/FINANCIAL CONSULTATION

The business/financial consultation session, which took place on the second day of the Nigeria Rice Forum, was graced by no less a person than the Malian Ambassador to Nigeria. The session provided an opportunity for business networking and interactions between producers, processors, consultants, input providers, financial institutions, research institutions and government institutions. Various participants were given opportunity to make brief presentations on their products and activities in the sector. Below are the synopses of some the open presentations, comments and discussions.

First Bank

The bank representative informed participants that First Bank has developed a PPP model with products that will support commercial agriculture and that in following the lead of the government, the bank carried a structural re-arrangement and has put in place an agricultural product engine that designs agricultural products that are made available at every branch. Specifically, participants were told that the bank has an agro-dealer support scheme to finance and support farmer in areas like fertilizer, seeds, etc.

Rice Association, Mali

The Malian Rice Association representative observed that from the issues raised problems in the sector seem to be identical in the sub-region. He informed the Forum that Mali has been able to cultivate 80,000 hectares of rice with expected yeild of 6 tonnes per hectare. He said that most of the farming are done by rural farmers using bulls for plowing and added that some are able to make profits of up to 50%. He noted that Nigeria is blessed with crude oil from where urea fertilizer is produced and urged that these should be properly utilized to boost rice production and agriculture in general.

Dr. Rotimi Fashola, Consultant to Lagos State on Rice for Job Project

Dr. Fashola observed that people may have been wondering whether Lagos state is a rice producing state, since Lagos state had not been focused on rice production untill now. He informed the Forum that Lagos state now produces Ofada rice, NERICA rice and long grain rice through its Rice for Job Project whose objective is rice production, job creation and price stabilty. He said that the state is looking into mechanization using appropriate machines like small combine harvesters, small milling machines, hand tractors, etc. He expressed

the willingness of the state to partner with investors to achieve the above objectives and bring more people into agriculture.

Peter Erike, Head of Operations, Kopod Agro Ventures Limited (KAVL)

Mr. Ejike informed the Forum that Kopod Agro Ventures Limited, a privately owned Nigerian Company, incorporated to carry on the business of producing/processing food for man, feed for animals and raw materials for industrial use, is presently partnering with the Anambra State Government to cultivate rice on 8,000 hectares of land. With a major focus on the “complete” production of rice on a large scale, he said that in order to expand and enhance their vision, the company is seeking technical partnership with interested individuals and organizations. Their Head Office is located at 2 Abike Animroham Street, off Bisola Duwsinmi Etti Street, Lekki Phase 1, Lagos.

Chief Audu Ogbeh

Chief Ogbeh informed participants of a company called Efugo Harvesters whose main objectives is to do commercial harvesting of grains (mainly rice, maize and sorghum) on farms across the country. With the aim of making rice and grain farming easier for farmers and taking the crushing burden of harvesting off the back of farmers, he noted that the company’s program will create jobs for a large number of young men and women and will operate in collaboration with the Rice Farmers Association of Nigeria. He observed that this kind of service is common in the United States and indicated that the machines that will be used here will be much smaller, simpler, easier to maintain and backed up by technicians and spare parts.

Malian Ambassador to Nigeria

In his speech, the Ambassador noted that government has encountered many difficulties in feeding the population and recalled the global food and energy crises earlier in the year. He said that these occurrences are wake up calls to us in African, noting that if we want to develop ourselves, we have to fight for food sovereignty. He emphasized the need to clear the impression that farming is a demeaning job. He noted that a major river flows through all the 15 member states of ECOWAS and advised that ECOWAS states governments should stop building white elephant projects (big dams), but concentrate on small dams which are more viable.

The Ambassador informed participants that Mali has stopped importing rice from India, Pakistan, and other south-east asian countries. He noted that Nigeria has all the potentials to lead the sub-region and advised Nigerian investors to

start investing their monies in the ECOWAS sub-region. Finally, he called on all to start taking action now.

Ministry of Agriculture and Natural Resources, Benue State

Speaking during the Forum, Mr. F. I. Akusu, Chairman Benue State Accelerated Food Production Programme and Chairman Benue State RIFAN, informed participants that Benue State has high potential for rice production, processing and marketing. He said that farmers in Benue State are organized into groups of 10-20 members known as enterprise group and that land preparation, provision of farm inputs, improved seeds, fertilizers and herbicides are provided to farmers by the government. He noted that there are about 3000 small rice mills scattered across the state and that farmers working in groups have been assisted to get some credits.

He listed some of the problems encountered by farmers as inadequate access to land, high cost of land preparation, high cost of harvesting and threshing labour, non availability of harvesting and threshing machines, inadequate access to credit, insufficient quantity of improved seeds and non-availability of irrigation infrastructure.

Aderemi O. Osyo, RBS Consulting Ltd.

In his comment, Mr. Osyo observed that there is a great need for the government and the financial services providers to focus on strategic issues and activities that have the potential to produce effective outcome and long term impact. He noted that the PPP framework for Nigeria need to be properly lqid out and defined as the current definition is inadequate.

Mr. Leonard Anyanwu, Saro Agrosciences Limited, Lagos

Mr. Anyanwu informed the Forum that Saro Agrosciences, as a service provider, is committed to the development of the rice sector in Nigeria. This he said the company is doing through partnerships with Bayer Cropscience and Dow Agroscience of USA to introduce new generations of IPM compliant agrochemicals targeted at different rice ecologies in Nigeria.

He expressed the willingness of his company to partner with other stakeholders, especially processors in the Nucleus Estate Model, to organize farmers to produce good quality rice in a sustainable way in Nigeria.

Dr. Olapomi Ajayi, Africa Rice Center (WARDA)

Dr. Ajayi informed participants that WARDA with its headquarters in Cote D'Ivoire (though temporarily now in Benin) and stations in Nigeria, Senegal and Tanzania, has developed rice varieties for all ecologies. He named some of the varieties as Upland varieties (NERICA1, NERICA2, WAB 189, ITA 150 etc) and Lowland varieties (WITA4, TOX4004, FARO57, lowland NERICAS 1-60).

He said that their work are carried out in conjunction with partners in each country and that their Nigerian partners include NCRI, Universities, ADPs, NGOs, private sector, etc. Dr. Ajayi said that WADA's varieties reach farmers through Participatory Varietal Selection (PVS) and indicated that Lowland NERICAs have undergone PVS for 2-3 years in Nigeria with the best ones expected to go on-farm in 2009 before formal release.

Other activities of WADA he listed include provision of breeder seed (and foundation seed where necessary) to farmers, training at all levels for farmers, technicians, graduates and post graduates, training on seed multiplication and rice production practices. He informed participants that WADA have developed handbooks and learning materials on rice production including a video on improved seed health and parboiling which is being translated into Yoruba, Igbo and Hausa for the training of farmers and processors.

He asked farmers using WARDA seed to make sure that varieties are planted in the right ecology, they renew seeds every 3 years and advised farmers to provide feedback on performance of varieties to WARDA.

Dr. Devinder K. Mehan, Obada Veetee Rice Limited, Lagos.

Dr. Mehan stressed the need for the Government to create the necessary and policy and regulatory environment for sustainable growth in the rice sector. In this wise, he said that Nigeria can learn from the Indian experience where the government provided tax holidays for all farmers, banks were compelled to dedicate 25% of their credit portfolio to agriculture, and the Central Bank gave 100% guarantee on agricultural loans. The above situation lead to a situation where the banks had to go after farmers to market their loans instead of farmers going to the banks thus removing the problems farmers have in accessing credits

Mr. J. M. Salka, Niger State ADP, Minna.

Mr. Salka, whose comments were based on the purely natural product, Crystallizer Super fertilizer, enumerated some of the product benefits as 100% or more increase in yield, increased disease resistance, acting as a source of silicon which improves the quality of rice, reduction of the incidence of blast, all

year round availability at lower prices, and improved soil structure. He encouraged participants to try the product and express willingness to collaborate with any participant.

Mr. Francis Essian Umokoro, Arable Crops Development and Marketing Company Plc, Abuja.

Mr. Umokoro briefed the participants on the activities of the company which he said is primarily to facilitate the production and marketing of arable crops. He explained that arable crops are crops which are planted and harvested within a season of one year. He informed the Forum that the company has, in its short period of existence, promoted the development of the rice sector through facilitation and support for processing and marketing.

He drew the attention of the Forum to the need for all states of the Federation to buy the **company;s** shares on behalf of the farmers so as to translate the company into a truly farmers company.

Engr. M. A. Adewuyi, Federal Ministry of Agriculture and Rural Development (FMARD)

In his presentation, Engr. Adewuyi sought to correct the impression earlier created that FMARD's top management were only present during the opening ceremony. He told participants that FMARD maintains an open door policy and has been working with various stakeholders in the rice industry. He however decried the situation whereby stakeholders try to stampeded the Ministry into taking decisions that are not good for the country and our people.

While noting the need to replace our aging farmers population with younger ones for sustainability, Engr. Adewuyi re-emphasized the need for the private sector to work together in harmony with the Ministry

5. CLOSING REMARKS -

The closing remark was delivered by Ms. Sweet Osagie, Executive Secretary of NEPAD Business Group Nigeria. In her remark, Ms. Osagie noted that this is just the beginning, and asked rhetorically, where do we go from here? She further asked participants if they saw the need to make the Rice Forum an annual event, and the overwhelming answer was yes.

In conclusion, she expressed satisfaction with the outcome of the Forum and thanked all who have contributed to its success. She specifically thanked the federal government, its various organs and agencies (Presidency, National Assembly, Federal Ministry of Agriculture and Rural Development), for their support. Her appreciation also went to sub regional partners (ECOWAS Commission, Cote D'Ivoire, Mali, WADA, NEPAD Business Group West Africa, and NEPAD Business Groups in Mali and Cote D'Ivoire), local partners and collaborators (The Nigeria Economic Summit Group, NEPAD Nigeria, Central Bank of Nigeria, and Rice Farmers Association of Nigeria), sponsors (Bank of Industry, UBA Plc, First Bank Plc, Shell Petroleum Development Company of Nigeria), various session chairmen and panelists, and paper presenters. Finally her thanks went to member of the Organizing and Technical Committee for their support and efforts towards organizing a successful Forum.

6. KEY RECOMMENDATIONS

At the end of the maiden edition of the Nigeria Rice Forum, whose main focus was to come up with ways of creating the necessary enabling environment for increased rice production in Nigeria and West Africa, participants, after thoroughly deliberating on the issues at stake, came up with key recommendations as follows:

- i. That Government should adequately support land clearing for agriculture, and specifically for rice cultivation;
- ii. That agricultural subsidies or funds, including the N10bn rice processing fund, should be given directly to the real farmers;
- iii. That policies and legislations, including policies that will discourage rice importation, should be enacted to protect the budding Nigeria rice industry;
- iv. That Government should take a cue from developed countries (USA, EU, etc) and subsidise agriculture;
- v. That there is need for the government and farmers to invest adequately in seeds research and development;
- vi. That Government should assist in developing land and allocating them to real farmers;
- vii. That Government should make more effort in developing agriculture through the provision of irrigation infrastructures for proper land use;
- viii. That Government should put in place policies that would strengthen SMEs, community associations and assist them with marketing and processing;
- ix. That Government should learn a lesson from the politicization of casava production, which led to its failure, and avoid politicizing the production, processing and marketing of rice;
- x. That Government should urgently put in place policies and programs that will attract youths into agriculture in order to provide a new generation of farmers that will take over from the present stock of aging farmers;
- xi. That the government should go back to agriculture, mechanise it and prepare the land for agriculture;
- xii. That Government should provide more tractors and rice processing machines for farmers;
- xiii. That Government should put in place programs to sensitize farmers and solve problems encountered by farmers in the field;

- xiv. That Government should increase the budgetary allocation for agriculture to 10% in line with the 2003 Maputo Declaration;
- xv. That Government should encourage farming to create and retain wealth in the country;
- xvi. That the states and Federal Government should work together to provide the enabling environment to bring in investors to the rice sector;
- xvii. That there should be capacity building programs for farmers;
- xviii. That there is need for improved varieties;
- xix. That inputs should be given to farmers as credit;
- xx. That there is need to exploit the PPP model in rice production and processing;
- xxi. That the private sector should take over the management of agricultural subsidy with oversight from the government;
- xxii. That there is need for Government to deliberately come up with policies and programs that support local fabrication of agricultural processing equipment for easy accessibility to farmers;
- xxiii. The need for proper coordination and support of the rice value-chain through the establishment of Association for Rice Processors in Nigeria and Association for Rice Marketers in Nigeria;
- xxiv. That there should be accountability and openness in terms of support and funding for agriculture;
- xxv. That Nigeria can only move forward if value addition and wealth creation is made the main focus of government intervention in the agricultural sector; and
- xxvi. That the Nigerian Rice Forum should be made an annual event.