

The 2nd Nigeria Rice Investment Forum, 17-18 Nov. 2014

Theme: Transforming Rice Production in Nigeria and West Africa for Self Sustainability and Socio-Economic Development.

Sub-theme: *Breaking all the barriers to Large Scale Production of Rice in Nigeria and West Africa.*

Dignitaries at High Table:

1. Dr Akinwumi Adesina, *CON*, Honourable Minister for Agriculture and Rural Development
2. Mrs. Sarah Ochepe, *CON*, Honourable Minister of Water Resources, represented by Mr. Roy Oyetunmibi
3. Ambassador Fidelia Njeze, Special Adviser to the President on NEPAD/CEO
4. Alhaji Bamanga Tukur, *CON*, Chairman, NEPAD Business Group Africa & Executive President, African Business Roundtable (ABR), represented by Engr. Awwal Hayatu
5. Mr Goodie Ibru, *OON*, Co-Chairman, NEPAD Business Group West Africa, represented by Mr. Olumuyiwa Adefope
6. Chief Dr. Nike Akande, *CON*, 1st Vice Chairman, NEPAD Business Group Nigeria (NBGN)
7. Chief Victor Oyolu, 2nd Vice Chairman, NEPAD Business Group Nigeria (NBGN)
8. Chief (Mrs.) Eniola Fadayomi, *MFR*, 3rd Vice Chairman, NEPAD Business Group Nigeria.
9. Dr. Ousmane Dore, Country Head, African Development Bank (AfDB)
10. Alhaji A. k Wodi, President, Rice Farmers Association of Nigeria (RIFAN) represented by Mr. Tony Monueke
9. Honourable Mohammed Abubakar, Chairman Rice Processors Association of Nigeria (RIPAN).
10. Alhaji Aliko Dangote, Executive President, Dangote Group, represented by Eng. Mansur Ahmed.

Goodwill messages were delivered by all the dignitaries at the high table. They all agreed on the importance of adequate development of the rice sector to reduce whooping foreign exchange spent annually on importation, as well as for food security, export and employment creation. The main actors in the rice value chain are the producers, processors and marketers. More importantly, the strength of Nigeria as it concerned self sufficiency and sustainability in rice lies in dry season farming that ensures farming all year round. Most states of the north are suitable for this. Participants were later urged to give the forum the necessary attention and participate actively to better achieve the forum's objectives with respect to sufficiency and sustainability in rice production.

Hon. Mohammed Abubakar, RIPAN Chairman, pointed out that the main raw material any rice processor requires is paddy. History has it that before now, there was no good quality paddy in Nigeria. The transformation and improvements in the standard and quality of rice produced in Nigeria is as a result of the Agricultural Transformation Agenda of President Goodluck Jonathan as ably driven by the dynamic Honourable Minister of Agriculture & Rural Development, Dr. Akinwumi Adesina, *CON*.

In Her special address, Mrs. Fidelia Njeze stated that the forum will expose the efforts of the present administration with respect to self sufficiency, and enhanced production. She also said, among others things that, setting of mechanized farm, building of basins and provision of viable seeds are necessary for the development of the desired rice value chain.

Mr Tony Monueke of RIFAN added that the set target for 2015 on Rice will be achieved if Nigerian women will be cooking Nigeria rice in their homes. That is, if Nigerians accept and patronize Nigerian brands of rice and stops the preference for imported brands.

The programme was later declared open, on behalf of President Goodluck Ebele Jonathan, *GCFR* by the Honourable Minister of Agriculture and Rural Development, Dr. Akinwumi Adesina, *CON* who gave special commendations and recognition to Prof Osiname, Head, Rice Value Chain Team in the office of the Honourable Minister of Agriculture, for his efforts in the development of dry season farming.

He reiterated that among all the top officers he has worked with, President Goodluck Ebele Jonathan is the best, because he is a President that does not impose idea on you ensure that you have free hand to do the desirable. It is because of his massive support that it was possible to achieve what has been accomplished so far in the efforts that have greatly changed the rice sector in the area of production and processing. The Hon. Minister stated that he had adopted many strategies towards large scale production of agricultural produce, among which is

the registration of farmers to subscribe to farm inputs, provision of free raw materials and bags of fertilizer

He stated that political will is required to sustain rice production in Nigeria. He equally canvassed for the support of all stakeholders for NEPAD Business Group Nigeria as well as similar efforts aimed at increasing rice production in the country. He added that 2012 was a turning point in Nigerian food production and processing and that 400,000 hectares of land is currently being cultivated in dry season, against 267, 000 hectares of land producing 7 million metric tons. The farmers have expanded by 6 million and rice is generating about 400 billion naira, worth of business in the value chain of our economy.

The Honourable Minister equally declared open the exhibition of rice and rice products at the forum. Aside rice and rice products, the exhibition features especially various delicacies (jollof, fried, Chinese, pillaf (onions), coconut & ofada) from Nigeria brands of rice. The main purpose was to further promote Nigeria brands of rice to the public and as well demonstrate its suitability with respect to the preparations of above delicacies. The high point of the event was when the Honourable Minister further demonstrated his love for Nigeria brands of rice by having a feel of the delicacies as served to participants at the special exhibition.

DAY ONE MONDAY 17 NOVEMBER, 2014

PLENARY SESSION I

Theme: RICE PRODUCTION & PRODUCTIVITY IN NIGERIA

CHAIRMAN: Dr. Francis Nwilene, Country Representative, AfricaRice Centre, represented by Dr. Gbenga Akinwale, Seed System Specialist

PAPER 1 The Contribution and Strengthening of Research and Development to Rice production in Nigeria and West Africa - An overview

Dr. L.T. Ogunremi, Acting DG, National Cereals Research Institute, Badeggi (NCRI).

Dr. Ogunremi was represented by Dr. Alhassan Maji.

Dr. L.T. Ogunremi, in his overview, highlighted the following points as efforts that Research and Development has contributed towards the success of rice production in Nigeria

1. Rice has the highest yield expressed in food and energy. (Juliano & Villareal, 1993)
2. Annual rice production in sub sahara Africa is estimated at 14.5 million metric tons, representing 15% of the regions cereal crop production, on over all imported rice accounts for roughly 405 of ub saharan Africa (SSA) Local rice consumption.
3. African farmers may heed to adopt best global agricultural practices such as , use of intensive higher yielding practices like improved seed, fertilizers and irrigation to overcome production deficit as witness in continent.
4. The National Cereals Research Institute (NCRI) has developed and increased technologies to improve yield & quality of locally produced rice.
5. NCRI and AfricaRice are collaborating with other development partners & funding agencies in several projects to develop rice varieties with levels of tolerance to abiotic stresses for the sub region
6. NCRI is also collaborating with Academy of Science to develop rice varieties referred to as supper green rice, due to their ability to withstand stress.
7. Rice demand will continue to outstrip production with the continent importing nearly 10 million tons annually.

PAPER 2 Rice Farming in Nigeria: Challenges, Opportunities and Prospects.
Alhaji A. K. Wodi, President, Rice Farmers Association of Nigeria (RIFAN).

The paper was presented by Alhaji Sanusi Mohammed, Deputy Chairman, Rice Farmers Association of Nigeria (RIFAN), Kano State Chapter

The total cultivable land in Nigeria is estimated at 82 million hectares while area suitable for paddy cultivation is estimated at 4.6 million hectares or only 39% is currently utilized. The country is also blessed with untapped (3.14 million) hectares of land suitable for rice irrigation but only about 50,000 hectares is currently utilized.

Factors to be considered when embarking on rice farming:

- Selection of high quality seed
- Soil Fertility Management
- Waste Management
- Weed Control

Challenges of Rice Farming:

- Climatic factors such as flood, soil salinity and erosion drought and global warming
- Land tenure and Development
- Most of our farmers are illiterates, unorganized with low-capital base and employed the use of simple and crude tools with little farm mechanized equipment usage.
- Weeds, pests and disease problems
- High cost of productive inputs such as seeds, fertilizers and other agro chemicals
- Improper handling/management of soil and water resource
- In adequate extension services which resulted due to the low ratio of extension worker to farmers
- Non-availability /inadequate credit facility to farmers
- Lack of good roads in the rural areas
- Irregular and fluctuating prices of rice grains due to seasonal variation
- Lack of good linkage between research institutes and farmers

Opportunities of Rice Farming in Nigeria

This includes: Employment, investment opportunity, income to farmers and a host of other groups, food supply to the nation, raw materials to processors and food manufacturing companies, provides market to agro-allied and non-agro based

products and rice by-products such as straw, husk and bran can be used for livestock feeds.

Prospects of rice farming in Nigeria are very bright if the following factors are tackled seriously:

- Serious attention to land clearing and development under irrigation,
- GES programmes should be pursued and identified problems associated with programme solved
- Consistent policy environment
- Making Nigerian rice consumable and affordable
- Synergy in operations between various stakeholders in rice value chain
- Use of hybridization and bio-technology.

PAPER 3 Bridging the Quality and Quantity Assurance Gap in the Nigerian Rice Value Chain - The AFEX Vision.

Mr. Ayodeji Balogun, Country Manager, AFEX Holdings Ltd.

Federal government's rice policy will save Nigeria \$2.5 billion annually and has revised the new fiscal policy for processed and semi processed rice downwards from initial 100% to 60% and 20% levy.

The following challenges reduce the competitiveness of the Nigeria Rice Subsector:

- Production is highly fragmented
- Inconsistency in the quality of certified seeds
- Existing infrastructure are aging and sub-optimal at the best
- Small rice mills have better access to paddy rice but are not efficient enough to compete with imported brands

Small to medium rice mills have better access to paddy rice in Nigeria and the paddy rice OTC market will link producers to medium to large scale mills across Nigeria.

Objectives of the Nigerian Paddy Rice OTC Market (PROM)

- Create an inclusive organized and efficient rice market for Nigeria
- Increases competitiveness of rice farmers in Nigeria
- Enhances access to finance for stakeholders in the rice value chain
- Provide graded, properly stored and secure paddy rice to rice mills across the country and integrate all paddy Aggregation Centres (PAC)

- **QUESTIONS FOR AFEX**

Do you charge the farmers for keeping their product with you? To what extent is your service going to affect the price of product? By Dr. Cletus

2. Is your company making arrangement to collaborate with the F.G to use the existing silos?

3. Why is it difficult to give farmers those variety that are preferred to consumers now?

ANSWERS

About 62 varieties have been released from the research institute but only 5 are in the market.

QUESTIONS FOR RESEARCH INSTITUTE

1. Recently I heard that there is a variety that can withstand any land?

2. You hardly see any extension workers?

3. How cheap is the interest on the fund you secure for farmers?

4. Micheal Issac, the regional coordinator..... What is the difference between AFEX & Abuja commodity exchange?

ANSWERS

We have a program to develop a variety that is flood tolerant.

Prof. Osiname suggested to farmers to shift to dry season farming in order not to lose their yield to flooding.

Government to employ more extension workers who will sensitize farmer on latest development on farmers.

PLENARY SESSION II

THEME: REMOVING THE BARRIERS TO LARGE SCALE PRODUCTION OF RICE IN NIGERIA AND WEST AFRICA.

CHAIRMAN: Alhaji Ibrahim Dan-Musa, Group Executive Chairman, Dan-Musa Commercial Rice Plantations Farms Ltd., Dan-Musa GoldRice Mill Ltd.

PAPER 4 The New Nigeria Rice Policy: Combating the Threat of Smuggling and the Way Forward

Abdulahi D. I, Comptroller General, Nigeria Custom Service (NCS).

The paper was delivered by DC Ekekezie

In her statement, she stated that, until 2013 NIGERIA used to be the highest importer of rice. There has been 10% increase in rice production in the past two years.

Rice Smuggling thrives in Nigeria because of abuse of government Fiscal Policies, inadequate infrastructure, lack of Port Regulation, greed and lack of patriotism.

Federal Ministry of Finance, Circular Reference No. BD/FP/TT/50/1/99 of 8th July, 2014 gave investors with Rice Milling Capacity and Verifiable Backward Integration Programme 10% duty rate and 20% levy while pure Rice Traders are to pay 10% duty rate and 60% levy”

From July, 2014 when the rice policy was introduced till date, RICE MILLERS have imported 615,019.59 Metric Tonnes of rice while RICE TRADERS have imported 233,768.57 Metric Tonnes of rice.

The Service noted in the process that rather than investors with milling capacity bringing in husked brown rice for processing for value addition, they engage in the importation of wholly milled rice.

- Bona fide rice millers and small capacity millers should stop the unholy alliance with the Pure Rice Traders who lure them with money because the Service will treat such imports as smuggling and apply the necessary laws. Nigeria Customs Service will appreciate information that will lead to the arrest of smugglers of rice from the general public so that this noble policy of government will be given a chance to mature. She further added that other to sustain the current effort of this administration, that we have to collectively address the issue of smuggling of rice, recognize that government is not a farmer hence the private sector must take the initiative for rice production, acknowledge that rice policy is about production, processing and marketing, tailor government & private sector financial policies to encourage Nigerians to take to farming. she urged that,

government must address the land tenure system & create opportunities for irrigation & all year round farming, finally, that we must take food policies of other nations into considerations at all times as we formulate any policy.

PAPER 5 Public Private Partnership (PPP): A Potent Avenue to grow the Rice Industry and the desired Value Chain

Mr. Mukul Mathur, Country Head, Olam International

The paper was presented by Mr. Reji George, Head of Farming, Nigeria

In his paper presentation, Mr. Mukul Mathur, emphasized that Public- private partnership, is a potent avenue to grow the industry and desired value chain. He also highlighted their PROJECT FEATURES, UPDATES, HIGHLIGHTS AND CHALLENGES AS FOLLOWS:

FEATURES:

- Developing a 10000 Ha of land in Nasarawa State
- Fully irrigated rice scheme
- Precision levelled fields
- Two crop cycles in a year
- Aerial inputs application
- 10 MT / ha (annual yield over two crops)
- A nucleus model supported by an out growers scheme

UPDATES:

- Commenced in 2011
- Over N 18 billion invested so far
- 1000 Ha planted and harvested in March 2013
- 3000 Ha harvested in November – December 2013 – Wet Season crop
- 3000 Ha being harvested March / April 2014- Dry Season crop
- 4000 Ha being now
- 6000 Ha planting by July 2016
- 3000 farmer out growers scheme commenced in May 2014
- 105,000 MT capacity Mill with an expansion provision to double this capacity

HIGHLIGHTS:

- High quality paddy to ensure processed rice that can compete with imported rice
- Employment generation of more than 1000 at present, which can extend to more than 2000 by 2016 July

- A network of 4 Villages with approximately 6000 population turning out to townships in next 18 months
- Import substitution, food security.
- A prominent member in GES
- Out growers scheme in partnership with USAID MARKETS and The Ministry of Agriculture
- A key initiative under the Agricultural Transformation Agenda of the Federal Government of Nigeria. The FGN has announced the project as a SCPZ.

CHALLENGES:

- Roads
- Electricity
- Irrigation Infrastructure
- Machinery spares sourcing

PAPER 6 Technological Advancement required for the Development of the Rice Industry: the capabilities and Readiness of the Local Industry.

Engr. Ikechukwu Azogu, Executive Director, National Centre for Agricultural Mechanization (NCAM).

The paper was delivered by Engr. I. C. Ozumba, Assistant Director, Agro-Industry Development & Extension.

Engr. Ike Azogu stated that, the potential area for rice production in Nigeria is between 4.6 and 4.9 million ha. And that this area includes five different rice ecologies. The inland valley accounts for an estimated 25% of Nigeria's rice area with yield potential ranging from 2 to 8 tonnes/ha and contributing between 43 and 45 per cent of national rice production.

Irrigated rice ecology is the most recently developed rice environment accounting for about 18% of cultivated rice land and contributing 10-12 per cent of the national rice supply, (Singh et al, 1997). These ecologies can be fully developed to meet the national rice demand of 5 million metric tons of milled rice.

He further added that In order to increase food production and alleviate the widespread poverty in Sub-Sahara Africa (SSA), given the limited possibility for expansion of cultivable area and increase in population, there is need for a Green Revolution in the Rice Industry backed up with advanced and appropriate mechanization technologies.

He highlighted the following as the mandate of the National centre for Agricultural Mechanization;

To encourage and engage in adaptive and innovative research towards the development of indigenous machines for farming and processing techniques;
To design and develop simple and low cost equipment which can be manufactured with local materials, skills and facilities’
To standardize and certify, in collaboration with the Standards Organization of Nigeria (SON), agricultural machines, equipment and engineering practices in use in Nigeria;
To bring into focus advanced technologies and equipment developed by various institutions, agencies or bodies and evaluate their suitability for adoption;
Assist in the commercialization of proven machines, equipment, tools and techniques;
To disseminate information on methods and programmes for achieving speedy agricultural mechanization, and
To provide training facilities by organizing courses and seminars specially designed to ensure sufficiently trained manpower for appropriate mechanization.

PLENARY SESSION III

THEME: FINANCING THE RICE VALUE CHAIN EFFECTIVELY

CHAIRMAN: Mr. Nnamdi J. Okonkwo, GMD, Fidelity Bank Plc as represented by Dr. Musa Tarimbuka, Divisional Head, Agriculture & Asian Business.

PAPER 7 Effective Financing of the Rice value Chain and promotion of Strong Value Chain Linkages.

Uzoma Dozie, GMD, Diamond Bank Plc as represented by Lois Sankey

In the presentation, Uzoma highlighted that,

- According to FAO, global food production needs to grow by 70% to feed 9.1bn people in 2050.
- This expansion in agricultural output will require average annual net investments of US\$83billion.
- Of the total, US\$11billion would be needed in Sub-Saharan Africa, where predominant number of farmers are small holders-estimated at close to 50 million farms
- The projected investment needs US\$20 billion going to crop production (e.g. rice)
- A further US\$50billion would be needed for downstream services to help achieve a 70% expansion in agricultural production by 2050.

She further stated that the following are enabling factors which strengthen value chain linkages; Agriculture inputs and extension services, Contract farming and out-grower schemes to build economies of scale for suppliers and for farmer

competitiveness, Import and export competitiveness, Legal structures (e.g. land use and warehouse receipts), Energy and Infrastructure, Providing support services in the field of market intelligence, Government Subsidies, Improved business planning and access to technology and urged that a multi sector approach to resolution of barriers that mitigate against increased production.

PAPER 8 Financing the Rice Value chain in Nigeria

Mr. Emeka Emuwa, GMD, Union Bank of Nigeria Plc as represented by Mr. A. O. Olawale, Head, Commercial Agribusiness, Headquarters, Marina, Lagos

Nigeria has huge potential to grow and export rice but sadly spend average of N2bn daily in importation of the commodity and creating employment in the exporting countries. The trend has however changed with the right policies, efforts and interventions as manifested in the Agricultural Transformation Agenda (ATA) of the present administration. CBN has equally come up with supportive financing schemes.

- Imperative of Strategic Business Analysis (SBA)

Strategic Planning as a mental process generates benefits – experience, skills and insights coverage to envision the future. It guides new and as well ensure maximization of shareholders/stakeholders wealth.

- Rice Value Chain Components

Land Clearing; Paddy Production; Post Harvest; Processing; Storage and Markets.

- Financing Strategies or Options for the Rice Value Chain Components

Options suggested included Term Loans, Debenture, Supplier Credit for Machineries, Hiring, Leasing, and Loan Fiancne.

PAPER 9 Financing the Rice Farming in Nigeria: BOA Experience

Mr. B. M. T. Sadiku, Executive Director, Bank Of Agriculture Limited (BOA)

Mr. Sadiku, in his introductory speech, highlighted that:

- Moving the Nigerian economy away from dependence on crude oil to agriculture, is a paradigm shift well known to all in the millennial order, especially so in Nigeria and Africa.
- Studies reveal that current production of grains must double by 2050 if everyone is to have enough to eat in the future.
- This inevitably means that Agriculture, as currently practised in Nigeria & Africa must change; to become more productive, efficient and sustainable to make food cheaper and readily available.

He also gave an overview of the rice economy in Nigeria as;

- The food sub-sector of Nigerian agriculture parades a large array of staple crops:
- Cereals: sorghum, maize, millet, rice, wheat
- Tubers: yam, cassava
- Legumes: groundnut, cowpeas.
- Others: vegetables.

- Of all the staple crops, rice has risen to a position of pre-eminence.
- National demand for rice is about 5 million metric tons.
- National production is about 3 million tons.
- Deficit of 2 million metric tons to be supplemented by importations.
- The import bill for Rice stood at \$259 million USD or N22,015 billion at \$85 USD as at 2002.
- Per capita consumption is about 22kg.
- About 90% of Rice producers are small holders' farmers.
- Nigeria is the largest producer of Rice in West Africa.
- Rice is grown in about 3.7 million hectares of land or 10.6% out of the 35 million of land under cultivation.
- Average yield is about 1.5 tonnes per hectare for wet season and 3.5 tons/ha for irrigated Rice.

He added that there is ample opportunity for rice farming in Nigeria, because of the following reasons:

- The incidence of Instantaneous & compound growth rates of rice demand over its supply is an existing trend that has been increasing at a much faster rate in Nigeria than in any other African country since mid 1970s (Daramola,2005).
- Rice is cultivated in virtually all of Nigeria's agro-ecological zones. In spite of this production has not kept pace with its demand.
- Land in Nigeria that could be cultivated is roughly 80 million Ha. However, less than 10% of the 3.4 million Ha that could be irrigated are currently been used.
- Studies have shown that investment in integrated rice mills are capable of generating the Internal Rate of Return (IRR) of between 42 -50 %, also with a payback period of not more than two years.
- Rice can be planted all year round (i.e. rain fed and in the dry season under irrigation).
- "The weighted price of local rice is cheaper than imported rice"
- Increased flow of financial resources and associated facilities to the sector; MSMEF, Credit Risk Guarantee (CRG) of NIRSAL Plc as incentives.

Attributed to this, are monetary/Fiscal incentives to meet the needs of actors in the rice value chain.

- Increased investments in commercial rice milling. FAO case studies in the rice chain found that millers played the central financing role for rice in Asia and wholesalers were central in financing within the rice chain in Africa.
- Rehabilitation of associated infrastructure by FMWR: Dams & Irrigation facilities.
- Rice value chain approach to financing of rice businesses.

He also stated the BOA's Challenges as Paucity of loan able funds to cope with increasing demand by farmers, Poor pricing of locally produced rice largely because of the activities of smugglers - illegal imports, Loan diversion by applicants, poor corporate governance in the affairs of Trade and Commodity Associations who benefitted from BOA under their groups. Few integrated rice projects in the country. And recommended that; Nigeria's vision of being able to grow its own requirement and also be able to export rice, including its other rice value added products to other nation states, can only be achieved through deliberate and concerted effort at strengthening the capacities of all value chain actors in the rice value chain.

Research development and exchange of ideas such as what is taking place now must continue, so as to discover more profitable grounds for efficiency and effectiveness in prosecuting the task before us.

PAPER 10 Providing Financial Support for Agriculture: the Access Bank Way

Mr. Herbert Wigwe, GMD, Access Bank Plc as represented by Valentine Chioma Onuaguluchi, Manager, Aminu Kano Branch, Abuja. FCT

In his presentation, Mr. Wigwe stated that, Nigeria's agriculture sector has enormous potential – with an opportunity to grow output by 160%, from N15.345trillion (\$99billion) today to N39.68trillion (\$256billion) by 2030. This growth potential comes from potential to increase yields to 80-100% of benchmark countries; increase acreage by 14million hectares of new agricultural land, approximately 38% of Nigeria's unused arable land of 36.9million hectares; and shift 20% of production to higher value crops. Access Bank total lending to the agricultural sector is about N16billion. The biggest lending is to the agro services and cash crops subsectors and their support is by way of participation in their Growth Enhancement Support (GES) scheme.

Access bank assists agricultural businesses to identify business opportunities and manage production, marketing, legal, financial and human resources as agricultural growth is the fastest way to create jobs in Nigeria.

DAY TWO: TUESDAY 18 NOVEMBER, 2014

PLENARY SESSION IV

THEME: QUALITY AND MARKETING OF NIGERIA PROCESSED RICE

CHAIRMAN: Mr. Michael Azeobeokhai Nasamu, Regional Consultant, Coalition for African Rice development (CARD)

PAPER 11 Quality and Cost Factors and Competitiveness of the Nigeria Rice Industry.

Dr. Chijioke Osuji, Rice Value Chain and Post Harvest specialist, Rice Value Chain team, Office of the Honourable Minister of Agriculture & Rural Development (FMARD).

Dr. Chijioke Osuji, in his presentation stated the Rice Transformation Agenda objectives as follows:

1. Develop a vibrant rice value chain that will attract investments for locally produced rice.
2. Raise polished rice production from 2010 level of 3.3 million MT to 6 million MT to remove the shortfall between demand and production as soon as possible
3. Make locally produced rice competitive when compared to imports in terms of price and quality.
4. Promote a viable and sustainable rice value chain capable of meeting the country's rice demand.
5. Increase the total land area under rice cultivation
6. Build a network of paddy producers around rice mills to ensure regular supply of paddy.

He further said that, there is need to introduce adaptable new technologies required to improve the efficiency of rice Business Operation, that more than 75% of rice harvest in Nigeria is still threshed and winnowed manually.

He stressed that the most competitive rice products are also the most uniformly produced, processed and packaged.

That electronic bird scaring technology is being perfected but that nets are the best for now.

The 12% moisture content in the final product as specified in the SON standards is achievable and will greatly contribute to preservation of the finished product.

PAPER 12 Breaking All the Barriers to Large Scale Production of Rice In Nigeria.

Dr. Ahmed, Ministry of Agriculture, Niger State

The Agricultural Transformation Agenda (ATA) of the Federal Government put much priority on rice value chain development to enhance rice production through adoption of improved varieties, utilization of recommended farm inputs and adoption of best management practices to increase productivity, and promoting partnership with international agencies, which included IFAD, USAID Markets II etc.

Niger State is the largest producer of rice in Nigeria and can feed the whole of Africa, if the land available is fully utilized. There is also an implement called false Bottom, it that separates the paddy from the pot, it really does perform wonder.

In achieving modest strides in rice production, research and extension in Nigeria, excellent collaboration work has been done by both national and international organization such as IFAD, IITA, WARDA, IRRI, Africa Rice and I &ART. Cooperative collaboration work with these institutions has been the bedrock for improved technologies developed for the attainment of increased rice production in Nigeria. Sustenance of this trend will ensure the country's success in its bid to meet the rice production and consumption demands.

PLENARY SESSION V

THEME: QUALITY AND MARKETING OF NIGERIA PROCESSED RICE

CHAIRMAN: Mr. Tony Muoneke, RIFAN

PAPER 13 Supporting the Rural Farmers and Cottage Industries in the Rice Value Chain.

Mrs. Oluwasoromidayo George, Executive Director, British America Tobacco Nigeria Foundation (BATNF) as represented by MS Abimbola Okoya, General Manager, BATNF

Mrs. Oluwasoromidayo in her paper informed that The British America Tobacco Nigeria Foundation focuses on sustainable agriculture, and seeks to encourage small holder farmers to adopt more productive ways of managing and earning livelihood from natural resources in a sustainable manner. She added that in order to drastically reduce poverty in Nigeria, that there is need for a collective effort by well meaning Organization and government broad scale. She highlighted these as their principal objective;

- Ensuring the prioritization of rural small holder farmers' access to information and training
- Diversification of farm and non-farm employment and agro-enterprise opportunities
- Increasing opportunities for income-earning from land conservation and rehabilitation activities
- Expanding access to know-how on environmentally sound soil fertility management strategies for application
- Facilitating the wider adoption of alternative renewable sources of energy especially solar and bio-fuels for farming and agro-processing activities.

PAPER 14 Assistance to Rice Sector by Japan International Cooperation Agency (JICA)

Hiroshi Kodama, Senior Representative, JICA, Nigeria

Mr Hiroshi Kodama, in his presentation stated the following reasons as why JICA is supporting Nigeria.

- Can food exporting countries feed growing population in Africa?
- Nigeria has big potential for growth of food production.
- Nigeria has so many idle FADAMA areas. In these areas, rice can be cultivated.
- Japan has rich experience in rice farming and RVC construction and assistance mainly to Asian countries through JICA.
- JICA has comparative advantage in assistance to RVC.

He continued by highlighting some areas that they have been of assistance to Nigeria in rice production by saying that, In December 2012, 10 trainees from each of Niger and Nasarawa were trained on rice cultivation in Uganda, In January 2013, 5 trainees from each of two states were trained on rice cultivation in Uganda. In September 2014, a rice cultivation expert in Uganda came to Nigeria and conducted training to extensionists and farmers in Niger and Nasarawa. Trainees in Uganda conducted cultivation trials and urged farmers to adopt improved technologies.

Mr. Kodama also informed that JICA has conducted Rice Post Harvest Processing and Marketing Pilot Project in Nasarawa and Niger State (RIPMAPP) from Sep 2011 to Aug 2015 with FMARD, ADP and NAMDA, where small millers, parboilers, traders, and farmers will be the Beneficiaries and that ,Under the project, high quality domestic rice will be produced by small scale processors. (Introduction of improved technologies, and conducting TOT and the training to

beneficiaries) He further stated that RIPMAPP will be completed in August of 2015. FMARD will disseminate improved technologies to other states than Niger and Nasarawa.

PAPER 15 Economic Impacts of Developmental Partners/Agencies Programs in the Rice Value Chain Development – The Case of USAID MARKETS II

Mr. Harvey Schartup, MD, MARKETS II as represented by Mr. Godson Ononiwu

In his presentation, Mr. Ononiwu stated the following areas of their intervention as, Agricultural productivity, Technology, Inputs, Agricultural finance, Association development and capacity building, Nutrition and livelihood, Youth and gender, Government/External relations. He also highlighted their approach towards this intervention as; Sustainability, Local subcontractors, ADPs, Lead farmers – step-down training ,Demo plots, Capacity building, veraging, Farmer groups – production, organizational development, Collaboration with other donors, projects, public and private sector .

A few examples:

Motorcycle irrigation pump, Import and test foreign technology, Test it locally (IAR) for capacity and cost/benefits, Alternate wet/dry rice production, UDP = less runoff and pollution, Crop rotation: sorghum – soy; maize – soy, Dry season farming – flood loss, Late season maize production = market demand, Intercropping: cocoa, cassava.

He informed the participants, that the program objective of the USAID is to Increase smallholder income from agricultural development through enhanced private sector participation and investment, Develop producers' capacity and strengthen local organizations and associations.

He stated that they have the following as Partnerships and institutional resources

- Federal and state governments, ADPs
- Input distribution companies – Notore, fertilizer companies, Syngenta, WACOT etc.
- NCAM
- Research institutes – NCRI, IITA etc.
- Millers – Ebony, Umza, Olam, MIKAP, Labana etc.
- Banks – LAPO, DEC, commercial banks etc.

USAID IMPACT OF PROCESS

- Farmer yields have increased several folds. For example, the average yield of rice when MARKETS commenced was 1.7Mt per hectare but today, MARKETS networked farmers record an average of 5.7 Mt per hectare. It

has equally been noted that the gross margin per hectare increased from \$673 to \$1422 i.e. from about N111,718 to about N236,052.

- The increases in incomes of farmers have consequently increased their purchasing power, and invariably, their standard of living
- The increased yields and income have equally encouraged farmers to invest in more hectares
- Farmers have been even learnt to produce quality paddy devoid of debris. Recently, one of the integrated millers, Umza mills, informed the Minister of Agriculture at a public forum that since MARKETS intervention, the debris in farmer supplied paddy has significantly dropped as a result of the training they received.
- As MARKETS embarked on aggressive capacity building of producer groups, training members on leadership skills, group dynamics, and Nigeria Agricultural Enterprise Curriculum (NAEC), farmer groups are becoming stronger, and farmer groups are making better business decisions
- The spearheading of a Coalition of development partners is creating a forum for these agencies to harmonize their programs where they work in the same locality.
- Collaboration with agro-processors and marketers creates confidence in farmers and encourages sustainable supply of high quality produce to processors
- Market-led approach requires full commitment of all stakeholders i.e. continuous technical backstopping of farmers to meet market demand and consumer quality
- Partnerships help farmers and processors to leverage the services of key players – government, banks, input dealers, markets.

THEIR CHALLENGES

- Farmers' unwillingness to buy seed preferring to recycle grain
- Timely provision/ availability of inputs
- Delays in bank disbursement of credit
- Crop insurance vis-a-vis false claim
- Managing repayment/high default
- Buy-back issues: grades, standards and measures
- Availability of processors with vision to appreciate the benefits of working with producers

Opportunities

- Employment creation: Okada riders return to farm
- Wealth creation: shift from subsistence to commercial mindset
- Development of service markets: e.g. spray men; tractor and reaper hire

- Development of seed industry

Target Commodities

- Rice
- Cassava
- Sorghum
- Cocoa
- Aquaculture
- Maize
- Soybean

QUESTIONS, ANSWERS AND COMMENTS.

One of the participants commented that, the government must as a matter of urgency provide grants to small farmers for rice production to thrive.

Mr. Tony Muoneke lamented that most of the farmers apply for loans and get it when the farming season has ended, he further said that he has not seen one Nigerian bank that has provided loan to farmers, he said there is a gap between Agric officers in the bank and farmers.

Another participant also said, no Access bank has a central market, therefore, how can farmers access them

There was a suggestion that Union Bank can still do more by repackaging their mandate.

One of the farmers asked that, his mill can only dry six bags of rice per day, how can he get the right machines to dry his rice and suggested that the value chains should see how to improve the rice processing and get it better.

Mr Romanus Onye asked the USAID if there is any way that they are helping to establish farmers market and that there is also a disconnection between the ADP and the farmers. in his reply, Mr. Ononiwu of the USAID disagreed with the statement that there is a disconnection between farmers and ADP, he further commended the Federal ministry of Agriculture for his agriculture transformation, which is taking agriculture high. He added that the USAID is working in 15 states due to their limited resources, that they train farmers to start from the market, he continued that, there are no sufficient paddy in Nigeria, and that the USAID is a private sector and that for several years, they have encouraged production and due to the fact that Nigerians prefer foreign rice to homemade, that they have to fill the gap.

CLOSING REMARKS

Prof. Osiname in his Closing Remarks, congratulated the organizers of the forum for bringing many practitioners together, he further expressed his shock to know that the American Tobacco is working on rice and said that this is indeed an eye opening event and also expressed his gratitude. He said, Nigeria has the ability to produce rice even though we are not there now. And government concentrates on the large scale farmers, while the private sectors are on the small scale farmers leaving the fact that our small scale farmers give us 65% of the rice we eat every day.

He agreed with USAID that we don't have enough seed to go round even though there is improvement in production from 800,000 MT to 1.9 MT.

He emphasized that seeds are still one step behind that they still depend on the government, unlike the fertilizer company; Seed Company has not gone far.

He highlighted the following as challenges:

Land Development; he said land development is very expensive but that as part of government intervention, there is a passing towards that.

Low interest from the bankers; he said he observed that there's reluctant on the side of bankers, and hopes that they will follow it up.

Irrigation; he said it's very important because the yield is two or three times higher He added that lowland rice is better than upland just as irrigated rice is an added advantage, with it u can have two crops in a year.

He congratulated the NEPAD Forum and urged that we should do whatever we can to move forward.

He thanked everyone for the attendants.

VOTE OF THANKS

Mr. Dosumu Oluwole, the Acting Head of NEPAD Business Group Nigeria Secretariat gave the Vote of Thanks. On behalf of NBGN Chairman and Board of Directors, Mr. Dosumu thanked all the participants and guests for their active participation and other sacrifices made that have made the 2nd Nigeria Rice Investment Forum a huge success. He specially thanked the Honourable Minister of Agriculture and Rural Development (FMARD), Dr. Akinwumi Adesina, *CON*, and the entire Ministry for giving their support to the forum. He equally appreciated Ambassador Fidelia Njeze for NEPAD Nigeria continued support to NBGN and its activities since inception. He also recognized all others partners, sponsors and collaborators who has contributed in one way or the others since the conception of the forum till its execution. He ended by wishing all the participants safe trips back to their various destinations.

COMMUNIQUE

ISSUED AT THE END OF THE 2ND NIGERIA RICE INVESTMENT FORUM ON TRANSFORMING RICE PRODUCTION IN NIGERIA AND WEST AFRICA FOR SELF SUSTAINABILITY AND SOCIO-ECONOMIC DEVELOPMENT HELD AT SHERATON HOTEL, ABUJA FROM 17TH – 18TH NOVEMBER, 2014

The 2nd Nigeria Rice Investment Forum organized by NEPAD Business Group Nigeria (NBGN) and NEPAD Nigeria in collaboration with the Federal Ministry of Agriculture and Rural Development (FMARD). Other Collaborators included Fidelity Bank Plc, Union Bank of Nigeria Plc, AFEX Holdings Ltd., Access Bank Plc, Rice Farmers Association of Nigeria (RIFAN), Rice Processor Association of Nigeria (RIPAN), Bank of Agriculture (BOA), Federal Ministry of Water Resources and Planning (FMWR), Federal Ministry of Trade and Investment and many other partners. The forum was held at Sheraton Hotel, Abuja, Nigeria on Monday, 17th and Tuesday, 18th November, 2014.

The event was organized to discuss issues affecting the private sector 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 collaborations.

1. The forum was declared open by the Hon. Minister of Agriculture and Rural Development Dr Akinwumi Adesina CON, who also delivered the Keynote address on the Theme of the Forum.
2. The welcome address was presented by Chief Dr. Nike Akande, CON on behalf of NBGN Chairman, Chief Chris Ezeh, MFR, while the Chief Host, Ambassador Fidelia Njeze, Special Adviser to the President on NEPAD/CEO, delivered the Special Address.
3. The Forum also featured Exhibition of Nigerian Processed Rice and Rice Products. Special feature here were the Exhibition of various delicacies prepared from Nigeria Processed Rice to further prove the competitiveness of Nigeria Processed Rice.
4. Seventeen (17) technical papers were presented by partners from private sectors, government, research institutes viz:- National Cereal Research Institute, Badeggi (NCRI), Africa Rice Centre, Rice Farmers Association of Nigeria (RIFAN), Federal Ministry of Agriculture and Rural Development, Nigeria Custom Services, OLAM International,

National Centre for Agricultural Mechanization (NCAM), Fidelity Bank Plc, Diamond Bank Plc, Union Bank of Nigeria Plc, Bank of Agriculture Ltd. (BOA), Access Bank Plc, Rice Processor Association of Nigeria, AFEX Holdings Ltd. British American Tobacco Nigeria Foundation (BATNF), USAID MARKETS II, Japan International Cooperation Agency (JICA), DFID-GEMS4 Project (Wholesale and Retail Sector)

5. **OBSERVATIONS**

- (i) It is evidenced that the government and the farmers have not invested enough in seed research and development.
- (ii) Seed companies are not aggressive enough in character to encourage patronage from farmers.
- (iii) Land development is very expensive and not all the farmers can afford this.
- (iv) Rice produced under irrigation give more yield than that produced under rainfall.
- (v) Government is concentrating more on large and medium scale processors because they produce the quality of products required for substitution of imports.
- (vi) Small holder rice traders are influenced by rice traders in importation as a result of credit facility they receive from major dealers thus making it more difficult for Nigerian rice to penetrate the market.

RECOMMENDATIONS

After several presentations and exhaustive discussions on the above issues during the various syndicate sessions, the forum resolved as follows:

- (i) There is need for the government and farmers to invest adequately in seed research and development.
- (ii) The seed companies should employ more aggressive techniques in reaching out to the farmers.
- (iii) Government should assist in developing lands and allocating them to real farmers.
- (iv) Efforts should be intensified by the government to provide more irrigation to achieve more yield of rice especially in the rainy season.
- (v) The small scale farmers should not be neglected because they produce 65% of the total rice produced and we do not have sufficient rice to meet the demand of the millers.
- (vi) Bona fide rice millers and small capacity millers should be encouraged to wage the war with imported products and smuggling.

Based on the above resolutions, the forum further recommends that:

- The ongoing Transformation in Rice Sector Must be sustained as the reverse would be too grave for the nation socio-economically.
- There is need to introduce adaptable new technologies required to improve the efficiency of rice Business Operation. More than 75% of rice harvest in Nigeria is still threshed and winnowed manually.
- In achieving modest strides in rice production, research and extension in Nigeria, excellent collaboration work has been done by both national and international organization such as IFAD, IITA, , IRRI, AfricaRice and I &ART. Cooperative collaboration work with these institutions has been the bedrock for improved technologies developed for the attainment of increased rice production in Nigeria. Sustenance of this trend will ensure the country's success in its bid to meet the rice production and consumption demands.
- It has been proven that Nigeria has the ability to produce rice sufficiently
- Farmers are not producing enough paddies to meet up with market demand by rice millers.

- Banks were asked to review and strengthen their extension services to rice farmers as there is tremendous improvement in the sector.
- Government efforts to provide more tractors and rice processing machines for stakeholders should be intensified and made more realistic.
- There should be a one stop shop for all the players in the rice value chain to always get information so that no one will lag behind.
- Rice smuggling is a big threat to adequately development of the rice industry in the country. The Nigeria Custom Service should be continually innovative in confronting the problem.
- Public Private Partnership (PPP) remains the required engine to drive the entire rice value chain. Adequate policies should therefore be designed for effective and workable relationship between government and private sectors.
- Simple, cheap and affordable equipment for rice mechanization should be made available to small holders' farmers and processors.
- There should be continuous efforts with respect to quality and innovations in the Nigeria brands for competitiveness and acceptance.