

Nigeria Economic Summit #15

Scorecard of Nigeria's Economic Progress: Bridging the Implementation Gaps

Agriculture and Food Security Commission

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The Thematic Area of Agricultural Sector

- **The Agricultural Sector**

- Agricultural sector remains the most viable sector in the economy contributing about 43% to GDP in 2009
- In terms of fertilizer distribution, the government is moving towards a complete deregulation of fertilizer procurement
- Current effort is geared towards working out the modality of applying subsidy subsequently

- **Agricultural Financing and credit Lending**

- Exactly N200 billion commercial credit is set for the agricultural sector at 9% interest rate
- Of the N200 billion, N100 billion is for commercial farmers
- N40 billion for small scale farmers has been set aside
- N50 billion credit have actually been disbursed to commercial farmers

- **Agricultural Inputs**

- Total deregulation of the sector
- Government coordination of input supplies

Reform Challenges & Limitations

- **Challenges to Reforms**

- **Agricultural Financing;**

- Funds made available to the sector are not easily accessible by local farmers .
 - Banks short term loans cannot fund the sectors there is the need for financial bonds to drive long term investment in the Agricultural sector.
 - Absence of proper monitoring of disbursed funds to the sector
 - Gaps in capacity, technology and other core areas
 - Deficiencies in capacity in the sector
 - Untimely disbursements of funds to the sector.

- **Agricultural Input**

- Untimely distribution of fertilizers
 - Absence of adequate price mechanism
 - Poor yield seeds

Reform Challenges/Limitations Cont..

❑ **Agricultural policy and programmes**

- The private sector is not fully represented in the process of formulating the policies
- Absence of monitoring and proper evaluation of the policies and programme
- Poor infrastructure (lack of linkage roads)

Conclusions / Way Forward

- Agriculture should be made attractive by providing the enabling environment for the sector to thrive.
- Sector should be funded by financial bonds
- The private sector should be fully involved in the disbursements of fund to the sector
- Timely disbursement of funds
- The right pricing mechanism must be put in place
- Private sector should be brought into the marketing board
- Improve seedling and cultivation system