

# **Nigeria Economic Summit #15**

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

### **Agriculture and Food Security Commission**

**Thursday, 17 December 2009**

# 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( 25% on fertilizer, 25% tractor, and seedling 50%)
- N2 billion for R&D.

- **Land Use Management**

- Six areas of comparative advantage called Agro-Ecological Zones has been identified to be managed under Public Private partnership.

# The Thematic Area of Agricultural Sector

- **Rural Infrastructure**
  - Agro-Ecological centres to be established in each states of the country to be called 300 one-stop shop
  - River Basin Authorities to be reorganized

# 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**

- Lack of awareness of agricultural policies 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

## ❑ **Rural Infrastructure**

- Poor infrastructure (lack of linkage roads)
- Electricity
- Irrigation system
- Agro Conditioning Centres

# Conclusions / Way Forward

- Commercialise agriculture and develop agriculture as an entrepreneurship venture
- Agriculture should be made attractive by providing the enabling environment for the sector to thrive.
- Capacity building
- Sector should be funded by financial bonds
- Private sector should be fully involved in the disbursements of fund to the sector which should be timely.
- The right pricing mechanism must be put in place
- Commodity board should be restructured to be private sector driven.
- Improve seedling and cultivation system