



WAY FORWARD:
COMMERCIAL AGRICULTURE DEVELOPMENT PROGRAMME

Value Chain Targets

A

PRODUCTION

ACCEPTABLE BENCH MARK
(2009-2011)

2009 TARGET

(I) CROP SUBSECTOR
Land Management

a. Agric. Cadastre

Base maps for 36 States & FCT

Base maps for 18 States & FCT

b. Soil Survey

3.2m ha

i 80,000 ha surveyed and tested for nutrient Status in 12 States.

ii. 97,455ha surveyed and tested nutrient status in 16 states

c. Land Clearing

740,000ha (36 States + FCT)

240,000ha (12 States)

Input Services Provision

a. Seed (Out growers/Foundation)

62,500mt Certified Seeds and 27.5 mt breeder Seed, 508 mt foundation seed

7,521.5mt for out growers seed and 12.5 mt of breeder seed (BS); 234 mt of foundation seed (FS)

b. Agric. Seed Centres

37 Agric. Seed Centres

24 Agric. Seed Centres

b. Fertilizer

4M MT

500,000 MT

c. Tractors

{PPP on Tractor Hiring Scheme}

2, 114,285 Tractors & Implements

Provision of 3,525 tractors

d. Extension Service Delivery

{Capacity Building}

10,000 unemployed Youths trained

3,500 unemployed youths to be trained

e. Dams/Drainage

53 billion cubic meters of water to be impounded.

2 billion cubic meters of water to be impounded

f. Irrigation Infrastructures

2.5m ha of irrigated land

150,000 ha of irrigated land



Value Chain Targets - 2

PRODUCTION (contd.)

**ACCEPTABLE BENCH MARK
(2009-2011)**

2009 TARGET

(II) LIVESTOCK

f. Grazing Reserve Devt.	50 Gazetted Grazing Reserves in identified Stock Routes (GGR)	The provision of facilities for the settlement of pastoralists in the 3 gazetted grazing reserves in 3 states
g. Livestock Breeding and Multiplication Centres	12 Breeding Centres	3 Breeding Centres
h. National Pest Control Programme	3,040 flight hours aerial spraying	760 flight hours aerial spraying
i. Stock Routes Development	6,000km Stock Routes	3,000km Stock Routes
j. National abattoir enhancement prog		
k. Cold chain development		

(III) FISHERIES

i. Aquaculture Development Dev. of Integrated fisheries Estates	2.5 million mt of Fish annually (3 million)	260,000mt of fish. 12 fish farms estates in 12 states of the federation
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B STORAGE

i. Community Warehousing	350 units of 2000mt of Community Warehouses (700,000mt storage capacity)	40 units of 2000mt warehouses through build own and operate bases, (PPP)
ii. Construction /Completion of Silos	44 Silos (3mmt)	20 Silos (1 million metric tonnes)
iii. Agro Export Conditioning Centres	12 Centres (2 per geo- political zone)	6Centres (1 per geo- political zone)



Value Chain Targets - 3

<u>C</u>	<u>PROCESSING</u>	<u>ACCEPTABLE BENCH MARK (2009-2011)</u>	<u>2009 TARGET</u>
	(I). Cassava Processing	5 million mt of processed cassava flour. 2000 Cassava mills in 36 States and FCT	i. 500,000mt of processed cassava flour. 200 nos. cassava processing mills ii. 3 large Scale Mills
	(II). Rice Processing	181 large scale Rice processing Mills (6, 371, 200mt paddy rice)	25 large scale Rice processing Mills (880,000mt paddy rice)
	(III). National Abattoir Management and Dev. Programme	109 nos. Abattoirs (3 per state and FCT)	37 nos. Abattoirs (1 per state and FCT)
	(IV). Food and Animal Feed Production	500 grain flour, grits and animal feed mills (6mmt animal feed & 6mmt grain flour)	14 grain flour, grits and animal feed processing mills (168,000mt animal feed & 168,000mt grain flour)
	(v) Dairy & cold chain Development Programme	1 central dairy processing plant; 2 model dairy farms, milk collection centres & cold chain facilities	1 central dairy processing plant; 1 model dairy farm
<u>D</u>	<u>MARKET DEVELOPMENT</u>		
	(I) Guarantee Minimum Price(GMP)	2 million metric tonnes of assorted food commodities.	310,500 mt of assorted food commodities.
	(II) Market Infrastructure Development (Crops, Livestock and Fisheries)	327 Markets & 774 Buying points 774 markets for livestock, 774 for fisheries.	36 Markets (9 Livestock, 15 Fish, & 12 Fruits /Veg.) 37 Buying points 109 markets (1 per Senatorial zone for livestock, 300 markets for fisheries.



Value Chain Targets - 4

E <u>CROSS-CUTTING ISSUES</u>	<u>ACCEPTABLE BENCH MARK (2009-2011)</u>	<u>2009 TARGET</u>
(I) Research and Development a. Improved Seed, Brood Stock and Fingerlings b. Enterprise Development in Agric	50% increase in yield	10% increase in yield
(II) Agric Sample Census	Comprehensive National Agricultural Data Base	i. No. of Farmers (large & small) ii. No. of Farms Holding, Infrastructures & Yields.
(iv) Cooperative Reform Programme (Agric. Enterprise Development)	To generate 1 million jobs	To generate 500,000 jobs
(v) Fadama III a. Rural Roads Infrastructures b. Markets Development		
(v) Rural Finance Institution Building Programme (RUFIN)	Micro finance Training for 3,700 persons	Micro finance Training for 1,200 persons



Implementation Timeline

VALUE CHAIN	PROJECTS	TIMELINE 2009			
1.	Agric. Cadastre				
	Land Clearing for Commercial Agric. Programme				
	Agro-seeds Service Centres				
	Fertilizer Procurement				
	Mechanization (Tractor Service Scheme)				
	Extension Service Delivery (Capacity Building)				
	Cooperative Strengthening				
	Grazing Reserves Development				
	Livestock Breeding and Multiplication Centres				
	National Pest Control Programme				
2.	Aquaculture Development (Fisheries) (Development of Integrated Fish Estate)				
	Community Warehousing				
	Construction/Completion of Silos				
3	Cassava Processing				
	Rice Processing				
	National Abattoir Management and Dev. Programme				
4	Food and Animal Feed Production				
	Guaranteed Minimum Price (GMP)				
MARKETING	Market Infrastructural Development (Crops, Livestock & Fisheries)				14
		Qtr 1	Qtr 2	Qtr 3	Qtr 4



Implementation Timeline

VALUE CHAIN	PROJECTS	TIMELINE 2009			
5 CROSS CUTTING ISSUES	Dams & Irrigation Schemes				
	Research & Development Improved Seed, Brood Stock and Fingerlings Enterprise Development in Agric Upgrading and Equipping of Agric. Research System				
	Agric. Census Cooperative Reform Programme (Agric. Enterprise Development)				
	Fadama III				
	Rural Finance Institution Building Programme (RUFIN)				
		Qtr 1	Qtr 2	Qtr 3	Qtr 4



(3)

FINANCING ARRANGEMENTS

Source of Funding:

- a) **Special Federal Government Intervention Fund
Natural Resources Fund – 1.68% of Federal Government share
of the Federation Account over the next 3 years (to 2011)**
- b) **Special Credit arrangement, leveraging on 2 options:**
- **N200bn Bond to be issued by CBN/DMO, and /or**
 - **States to provide support for credit infrastructure as
criteria for participation and access to SIF**



FINANCING ARRANGEMENTS

SPECIAL INTERVENTION FUND ALLOCATIONS

	Programme/Activity	2009 (Billion Naira)	2010 (Billion Naira)	2011 (Billion Naira)	Total (Billion Naira)
A.	ASSISTANCE TO STATES' AGRICULTURAL DEVELOPMENT PROGRAMME: (Through financing arrangement of 60% State, 40% FGN, on a matching grant basis).				
	PRODUCTION:				
	To support the Production Initiatives of States in their areas of comparative advantage. Proposals will be along the areas of:				
	Irrigation Development	16.50	10	8.5	35
	Agric. Cadastre	4.04	5.96	5	15
	Land Clearing (Fruits, Vegetables, Rice, Cassava, Sugar, Soya Beans, Maize, Wheat, Cotton, Oil Palm, Rubber)	24	16		40
	Livestock/Dairy (Abattoir development, milk collection centres and cold chain management)	4.54	4	1.46	10
	Fisheries (Development of integrated fisheries estates)	2	2	2.0	6
	Market Infrastructure Development (Crops, Livestock & Fisheries)	3.57	2.87	1.56	8
	Sub-Total	54.65	40.83	18.52	114



FINANCING ARRANGEMENTS

SPECIAL INTERVENTION FUND ALLOCATIONS - 2

	Programme/Activity	2009 (Billion Naira)	2010 (Billion Naira)	2011 (Billion Naira)	Total (Billion Naira)
B.	INTERVENTION IN FOOD SECURITY:				
	i) Storage:				
	a) Completion of 12 on -going FGN Strategic Silo Projects	24.00	0	0	24
	b) Construction of 7 Silos (This programme aims at increasing storage capacity immediately to 1 million Metric tons in 2009).	28.00	0	0	28
	c) Provision of Agro-processing facilities along with the silos for edible flour & Animal feeds	4.50	0	0	4.5
	ii) Guaranteed Minimum Price (GMP):	0	28.00	0	28
	iii) Agro-Processing Centers (Cold Chain development, agro-aviation)	2.00	10.00	14.0	26
	Sub-Total	58.5	38	14	110.50



FINANCING ARRANGEMENTS

SPECIAL INTERVENTION FUND ALLOCATIONS - 3

	Programme/Activity	2009 (Billion Naira)	2010 (Billion Naira)	2011 (Billion Naira)	Total (Billion Naira)
C.	TRANSBOUNDARY PESTS CONTROL: Aimed at the Control of migratory and trans-boundary pests in order to protect animals and crops from pest infestation. Total N1.5 billion /Annum (760 flying hours for aerial spraying estimated per annum).	1.50	1.50	1.50	4.50
	Sub-Total	1.50	1.50	1.50	4.50
D.	SUPPORT TO RESEARCH AND DEVELOPMENT (YIELD MANAGEMENT):				
	i. Seed, brood stock, livestock breed & fingerlings Improvement/Dissemination	2.00	2.00	2.00	6.00
	ii. Enterprise Development Programme.	2.80	1.20		4.00
	iii. Soil studies/Survey	0.60	0.50	0.30	1.40
	iv. Detailed Feasibility Studies on Agro-Industrial potentials of each State	0.60	0.60	0.60	1.40
	v. Infrastructure & Equipment upgrade for Agric Research System	1.00	1.00	0	2.00
	Sub-Total	6.00	5.30	3.90	15.20
SUMMARY					
	Grand Total	120.65	85.63	37.92	244.20



(4)

IMPLEMENTATION MANAGEMENT ARRANGEMENTS

IMPLEMENTATION MANAGEMENT ARRANGEMENTS

A Special Purpose Vehicle (SPV) shall be established for managing implementation of the programme. The SPV will be led by the FMAWR and shall utilise the expertise of project implementation consultants, monitoring and evaluation experts and professional funds managers. Details shall be worked out between relevant stakeholders.

Roles of partnerships, investors and other stakeholders shall all be clearly laid out in the Programme Implementation Document.



PARTNERSHIPS

Private sector partnership arrangements at advanced stage of conclusion with the following:

- | | | |
|---|---|---------------------------------|
| i. Stallion Group | - | 1 m ha rice development project |
| ii. Dangote Group | - | 2,000ha pineapple in C/River |
| | - | 2,000ha sugarcane in Bauchi |
| | - | 10,000 heads dairy cows |
| iii. Zimbabwe Farmers in Kwara and Nasarawa | | |
| iv. Equinox Group | - | Vegetables/fresh products etc |
| v. Olam, VT Rice | - | Out-grower activities |
| vi. TGI Group | - | Dairy, meat and fisheries |
| vii. Vietnamese Group | - | Rice and fisheries in Bayelsa |
| viii. Natasha Consortium | - | Poultry in Lagos and Abuja |



(5)

CRITERIA FOR PARTICIPATION

Participation and Access Criteria:

States must be prepared to provide 20,000ha land over 3 years

FGN support to State Government initiatives - 40%

State Governments must provide credit leverage for 60% of equity through an irrevocable agreement to commit 5% of the State's and 1% Local Governments' monthly accruals to qualify for participation.



(6)

IMPLEMENTATION OPTIONS

Three Options Considered:

- Option I:** Value chain application on Commercial Agriculture Development Programme candidates based on comparative advantage of States.
- Option II:** Value chain application on Commercial Agriculture Development Programme candidates with special emphasis on agro-processing but based on comparative advantage of geo-political zones.
- Option III:** Value chain application on Commercial Agriculture Development Programme candidates to all States and FCT on Pro-Rata Basis.



IMPLEMENTATION OPTIONS

Option I

- i. **Collaboration of Federal, State and Local Governments with Private sector (on SPV model)**
- ii. **Value Chain approach**
- iii. **States participation determined by agro-ecological attributes and comparative advantage in chosen areas of intervention**
- iv. **States with ongoing private sector investments at advantage**
- v. **Bulk of large scale commercial farming through out-grower production**
- vi. **States responsible for identifying investors and provision of land**

Note: *The implication of the option is that only few States, probably 2 per zone, to make meaning to the intervention in 3 years could be selected. This, in addition to the World Bank project on CAP will cover a total of 18 States*



IMPLEMENTATION OPTIONS

Option II

- i. **Emphasis on specialist agro-processing**
- ii. **Establishment of large agro-processing hubs nationwide**
- iii. **Hubs to be based on geopolitical zones, and one in the FCT**
- iv. **Hubs each expected to provide about 5,000 jobs**

Proposed location of Agro-processing Hubs with specialties

GEO-POLITICAL ZONE	INDUSTRY
1. North West	Cotton
2. North East	Tomatoes and Vegetables
3. North Central	Swine Production
4. South West	Cassava Processing Industries
5. South East	Rice Processing Industry
6. South South	Aquaculture and Fish processing industry with cold rooms
7. FCT	Crops, Livestock, Fish.

Note: *The implication of this option is the choice of 7 States including the FCT for the CAP in the next 3 years*



Option III

- i. Considers 36 States and the FCT on a pro-rata basis when distributing proceeds of intervention on annual basis**
- ii. Federal Govt. contribution still 40% and States provide the credit infrastructure for 60% of projects implementation**
- iii. Proposals from any State to cover only 2 commodities of comparative advantage**
- iv. States to provide adequate storage space**

Note: *The implication of this option is the stretching of the CAP framework in the next 3 years to all 36 States and the FCT.*



Preferred Option

Option I takes into consideration comparative advantages of the States, based on value chain approach, which ultimately will lead to a higher net outcome



(7)

PRAYERS

NOTE

1. Mr. President's approval of the utilization of the 1.68% of the Federation account projected at **N244.2bn** as **Special Intervention Fund (SIF)**
2. The Fund aims at cushioning the immediate effects of the global food crisis by boosting local production to ensure Food Security, Import substitution of major commodities, generation of employment opportunities and Wealth creation
3. That Commercial Agriculture Programme has the goal of strengthening the value chain systems by increasing the productivity of cash crops and food crops, livestock, poultry and fisheries
4. That three implementation options were considered and Option I was recommended as it would lead to higher net outcome
5. The major criteria for participation and access to counterpart funding by the SIF includes 60% States contribution, 40% FGN on a matching grant basis, irrevocable commitment by States of 5% States and 1% Local Government accretions and the provision of 20,000 ha of land for commercial agriculture



PRAYERS

CONSIDER AND ENDORSE

the use of **Option One (1)** i.e. **Intervention in key areas in partnership with the Private Sector and State Governments,** as the best implementation Framework for the development of Commercial Agriculture Programme in the Country.

...to invest in infrastructure.

It has had to raise some interest from the finance sector in a number of Bajajali projects. It had to go through negotiations with major local and foreign investors. It has to be seen that it is a company that is ready to be established by investors of 1984. It was a very important part of the Bajajali project. It was a very important part of the Bajajali project. It was a very important part of the Bajajali project.

...the Bajajali project. It was a very important part of the Bajajali project. It was a very important part of the Bajajali project.

...the South African Industrial Development Corporation. It was a very important part of the Bajajali project. It was a very important part of the Bajajali project.

After years of delay the World Bank backs costly Bajajali HDP, but fails to quiet the protests

THANK YOU

...the Government of Kenya. It was a very important part of the Bajajali project. It was a very important part of the Bajajali project. It was a very important part of the Bajajali project.

...the World Bank. It was a very important part of the Bajajali project. It was a very important part of the Bajajali project. It was a very important part of the Bajajali project.



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