


STATUS OF NRDS IMPLEMENTATION IN NIGERIA

Presentation at the Fifth General Meeting of
CARD, 5-6 February 2013, Dakar, Senegal.

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BACKGROUND

Programme Profile

- Effective Period 2008 - 2018
- Goal: To increase rice production in
Nigeria from 3.4million tonnes
paddy to 13.25 million tonnes
- Target Groups: Rice Farmers/Private Sector /
Researchers / Policy Makers
- Implementing Agency: Federal Ministry of Agriculture
and Water Resources
- Sponsors: Federal and State Governments,
Donor Agencies /Development
Partners
- Approach: Rice Value Chain and Public
Private Partnership

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BACKGROUND..... Cont'd

Some relevant rice statistics on Nigeria

✚ Land area	:	923,768 square km
✚ Cultivable land	:	79 m hectares
✚ Land suitable for rice production :		4.6 m hectares
✚ Land currently cultivated to rice:		About 1.8 m hectares (39%)
✚ Estimated annual rice demand :		5.2 m tonnes,
✚ Average production of milled rice :		3.3 m tonnes
✚ National rice supply-demand gap :		1.9 m tonnes (bridged by importation)
✚ National rice processing capacity:		2.8 m tonnes of paddy (very low)
✚ Projected annual demand by year 2050:		36m tonnes

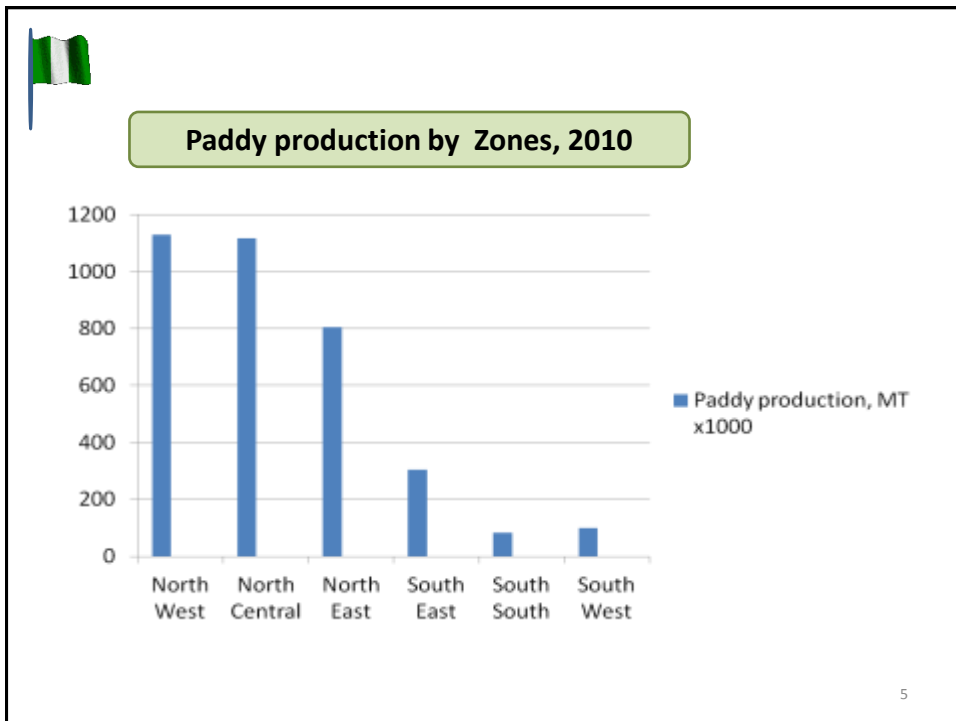
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CHARACTERISTICS OF THE NIGERIAN RICE SECTOR

- ✚ High demand for the more expensive parboiled rice against cheaper milled white rice.
- ✚ Poor competitiveness with imported rice in terms of quality and price because of high production and transaction costs.
- ✚ Low industrial base (modern mills and organized markets) to drive the chain.
- ✚ The rice value chain is highly fragmented from production to marketing, making it difficult to create brands and standards.

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GOAL AND OBJECTIVES OF NRDS

Goal

- ✚ To increase rice production in Nigeria from 3.4 million tonnes paddy in 2007 to 13.27 million tonnes by 2018.

Objectives

- ✚ Increase rice production from 1.5 - 3 tonnes/ha to 3 - 8 tonnes/ha, through deliberate intervention, inputs delivery, rice farmers empowerment and capacity building.
- ✚ Improvement in extension services
- ✚ Support private investors in the establishment of modern rice processing facilities
- ✚ Provide functional irrigation facilities through the rehabilitation of abandoned rice irrigation scheme in the flood plain of major rivers.
- ✚ Provide through PPP rice production, processing machinery and marketing linkage systems.
- ✚ Establish a durable price support mechanism for stable producer prices in order to sustain farmers interest in rice production through the guaranteed minimum price mechanism.

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EXPECTED OUTPUTS

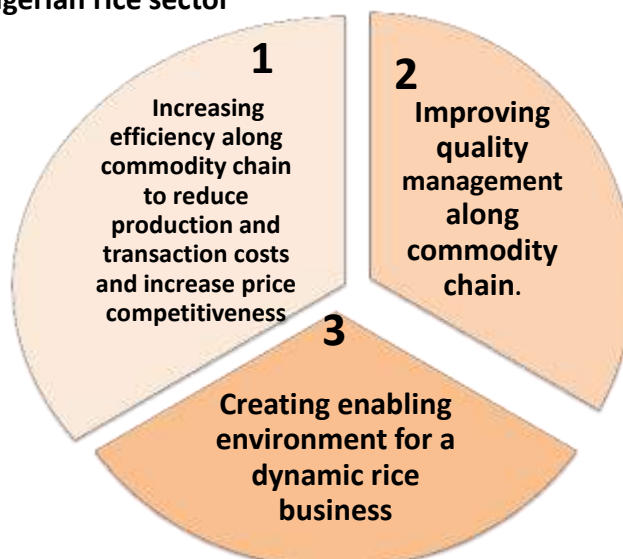
- ✚ Nigerian parboiled rice to be competitive with imported ones and the development of a sustainable market for white rice through improving and expanding the country's processing capacity.
- ✚ Promoting harvesting and post-harvest processing facilities nationwide complemented by adequate training of all stakeholders.
- ✚ Industrialization of the Nigerian rice Sector.
- ✚ Conservation of foreign exchange earnings resulting from elimination of rice imports.
- ✚ To substantially increase irrigated land planted to rice production to double production within a year.
- ✚ Income growth and poverty reduction for rice farmers.
- ✚ Generation of additional 500,000 jobs along the rice value chain especially in the rural areas.

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STRATEGIES

3 complementary interventions will be employed to develop the Nigerian rice sector



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1. Increasing efficiency along commodity chain

- ✦ Prioritize rice ecologies on basis of potential output.
- ✦ Mechanize land preparation to reduce labour cost and increase farm size per holding.
- ✦ Intensify rice production with the use of inputs.
- ✦ Cluster out-growers around the mills to reduce transaction cost.

2. Improving quality management along commodity chain

- ✦ Use of pure seeds of improved varieties.
- ✦ Mechanization of harvesting, threshing and paddy to reduce contamination.
- ✦ Intensification of crop production through use of inputs for higher yields per unit area.
- ✦ Introduction of modern medium to large scale mills to process paddy into high quality rice.

3. Creating enabling environment for a dynamic rice business

- ✦ Enactment and consistency of policies on tariff and financing for rice development.

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- ✦ The proposed budget for the 15 projects represented by the concept notes is estimated at \$1,725,684,055.
- ✦ The breakdown of this budget indicates that Rehabilitation and expansion of old and deteriorating Irrigation schemes accounts for 67.15%, the establishment of 23 integrated large scale mills accounts for 13.33% while the establishment of 49 paddy collection centres and warehouses accounts for 14.20%. Currently Government is taking action. on these intervention areas
- ✦ Many modern mills are springing up across the country through private sector investments.

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CHALLENGES OF IMPLEMENTATION OF THE PPP & NRDS

- ✚ Out of the N9.52billion earmarked for the establishment of 17 Large Scale Rice Mills, only N2.8billion have been assessed.
 - Government is committed to improving the rice processing capacity of the country and is establishing 100 Nos integrated rice mills.

- ✚ There is low level of land development for Irrigated and lowland rain-fed rice farming.
 - Massive rehabilitation of irrigation facilities is being addressed.

- ✚ Low level of mechanization.
 - Government is promoting tractor hiring services wholly owned by the private sector

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CHALLENGES OF IMPLEMENTATION OF THE PPP & NRDS.. Cont'd

- ✚ Low extension services
 - More extension agents are being recruited and trained.
 - The Department of Extension Services has been created in The Federal ministry of Agriculture & Rural Development

- ✚ Low paddy market infrastructure
 - Government is planning the establishment of 49 paddy markets and warehouses.

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STATUS OF IMPLEMENTATION OF NRDS

Where it is being done

The National Council on Agriculture directed that the Rice Value Chain Transformation Agenda should be extended to all the States of the Federation and the FCT.

Paddy production

- ✚ Priority is now on rain-fed lowland and irrigated ecologies where paddy yields are higher.
- ✚ Support for upland rice in some key States.
- ✚ Use of improved lowland rice varieties, FARO 44, 52, 57, 60 and 61 plus upland rice variety FARO 59 that are adaptable and acceptable to farmers, millers and consumers.
- ✚ Registration of farmers and farmers organisation. Over 600,000 farmers have been registered.
- ✚ Organization of farmers into clusters and linkage of the clusters with modern mills.
- ✚ Introduction of the Growth Enhancement Support, GES, through the e-wallet scheme.

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STATUS OF IMPLEMENTATION OF NRDS... cont'd

Mechanization



Tractor Hiring Service

- ✚ Providers are being empowered through the Nigeria Incentive Based Risk Sharing for Agricultural Lending (NIRSAL) to purchase tractors for land preparation and reduction of production cost.

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STATUS OF IMPLEMENTATION OF NRDS... cont'd

Irrigation



- ✚ Federal Ministry of Water Resources assures that 47,000 ha of irrigated rice land will be ready for this dry season.

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CURRENT ACTIONS

- ✚ Improved seeds made available to farmers through the large scale rice millers.
- ✚ Agricultural inputs made available to farmers through the Growth Enhancement Scheme (GES)
- ✚ Nigeria Incentive Based Risk Sharing for Agricultural Lending (NIRSAL) which is Public Private initiative between CBN, Bankers committee and FMARD to make funds available for agribusiness.
- ✚ Four large scale rice mills have just been completed and are functional while arrangements have been concluded to add additional 100 in the next phase.
- ✚ Dry season farming was launched in January 2013.

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CURRENT ACTIONS...cont'd

- ✚ Government is facilitating the provision of Post-Harvest machineries such as reapers, mini combine harvesters, small scale mills, threshers and dryers to reduce costs and drudgery.
- ✚ The CARD WW2 was held between 9th and 13th July 2012, out of the 16 concept notes developed during WW1, 15 were finally accepted.
- ✚ These concept notes are coherent with the interest and strategies of the Government's Agricultural Transformation Agenda and the focus of Development Partners.

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SUMMARY OF PROPOSED CONCEPTS AND BUDGET FOR RICE SECTOR

Title	Budget (USD)	%age Share
CN_1 Production and Provision of Breeder, Foundation and Certified Seeds	1,256,276	0.07
CN_2 Distribution of Certified Seeds to Farmers	594,169	0.03
CN_3 Rehabilitation and expansion of old/deteriorating irrigation schemes in rice producing areas	1,158,750,000	67.15
CN_4 Development of 100ha Small scale Irrigation facilities	30,062,500	1.74
CN_5 Promotion of rice production through mechanization in Nigeria	28,848,250	1.67
CN_6 Support the use of Organic Fertilizers by Rice Farmers	3,051,598	0.18
CN_7 Capacity Enhancement of Local Organic Fertilizer Production	566,486	0.03
CN_8 Improving the Accessibility of Organic Fertilizers by Rice Farmers	348,542	0.02
CN_9 Establishment of 23 integrated large scale rice processing mills (30,000 t/annum each)	230,000,000	13.33
CN_10 Provision of 105 small scale rice mills and accessories	23,645,000	1.37
CN_11 Capacity building on rice post-harvest handling and processing for small scale processors	695,899	0.04



Foreign Donor Assisted Projects:

Rice Post-Harvest Processing and Marketing Pilot Project (RIPMAPP)-

- ✦ This project is sponsored by Japan International Cooperation Agency (JICA).
- ✦ 2 Nos Rice Processing and Marketing Centres are to be established at Lafia and Bida in Nasarawa and Niger States respectively.
- ✦ The purpose of the project is to improve the quality of our domestic rice and decrease post-harvest losses in the target states. The project commenced in September 2011 and the following have been recorded:
 - ✦ Market survey for creating rice grading and quality standard in Nigeria;
 - ✦ Rice market distribution survey;

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Foreign Donor Assisted Projects:

- ✦ Socio-economic survey;
- ✦ Importation and installation of laboratory equipment to test the quality of locally milled rice;
- ✦ Workshop for Agricultural Development Programme (ADP) counterpart personnel from Nasarawa and Niger states as well as APM counterpart personnel was held in March, 2012 at Abuja. Installation of rice processing machines in Nasarawa State is expected to commence in December, 2012 as some of the machines have been cleared from the port.
- ✦ Training for ADP staff of Nasarawa State was conducted in May/June 2012 at Lafia.

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Foreign Donor Assisted Projects:

Modern Integrated Rice Processing and Milling Complex

- ✚ This project is sponsored by the Korea International Cooperation Agency (KOICA).
- ✚ The project site is selected along Bida – Minna Road
- ✚ Construction started in 2010.
- ✚ The progress of this project has been adversely affected by the bankruptcy of the Korean Companies to which the project was awarded.
- ✚ KOICA is making efforts to re award the contract to another Korean Company.

Rice Productivity Enhancement Research and Development

- ✚ Sponsored by Korea Africa Food and Agriculture Cooperation Initiative (KAFACI).
- ✚ This project is sited in Pukafa in Kwali Area Council, FCT.

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SMALL SCALE FARM MACHINES




- ✚ A mini combined harvester and a small scale thresher available at affordable costs.



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 **POST HARVEST RICE PROCESSING**

 A great challenge of rice sector in Nigeria is the highly fragmented nature of processing.

		
Threshing	Winnowing	Parboiling
		
Heaped Mill Rice	Milling	Sun drying 23

 **DIFFERENT QUALITIES OF MILLED RICE FROM SMALL SCALE RICE PROCESSORS**

			
			
			
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PACKAGED AND BRANDED VERSUS OPEN BASIN MARKETING



NEW PRIVATE SECTOR INVESTORS IN RICE PROCESSING

- ✦ Ashi Feeds Ltd, Anyin, Benue state, (4 tonnes/ hour)
- ✦ Oni-MP farms Ltd, Bansara, Cross River State, (3.5 tonnes/hour)
- ✦ Atafi Rice and Cereal Processing, Hadeja, Jigawa State
- ✦ Mikab Nigeria Ltd, Markudi, Benue State, (4 tonnes/hour)
- ✦ Al-Uma Rice Factory Project Jalingo, Taraba State
- ✦ Domino Farms, Jalingo, Taraba state, (10,000 tonnes/annum)
- ✦ Kare Hi-Tech Engineering Ltd, Talata Mafara, Zamfara State
- ✦ Gauri Rice Mill Ltd, Bauchi, Bauchi State
- ✦ Ebony Agro Processing Mills, Ikwo, Ebonyi state, (30,000tonnes/annum)
- ✦ Clysters Global Resources Ltd, Sabo-Gida, Nasarawa
- ✦ Umza International Farms Ltd, Dawaki, Kano State : (4 tonnes/ hour)
- ✦ Lagos State Rice Mill: Milling Capacity 2.5 MT per hour
- ✦ Stine Industries Ltd, Anambra State, (30,000tonnes/annum)
- ✦ Labana Global Ventures Ltd Kebbi State, (60,000 tonnes /annum)
- ✦ Tara Agro Industries Ltd , Taraba State (30,000 tonnes/ annum)



WAY FORWARD

Promotion of private sector investment along the rice value chain, through:

- ✚ Facilitation to access funds through NIRSAL
- ✚ Lobbying by NRDS Champions
- ✚ Provision of incentives to investors by Government
- ✚ Tax holidays and zero tariff for agricultural machinery and operations.
- ✚ Rehabilitation of agricultural and farming infrastructure across all rice growing ecologies.

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Thank you for your attention



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