

# Rice Processing in Nigeria

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## GENERAL INFORMATION

### 1. CHALLENGES

- 1) More than 90% of rice produced by small scale(S/S) farmers under difficult conditions  
→ Harvested end product are low quality
- 2) About 95% are S/S processors using low capacity and obsolete mills.  
→ The quality of milled rice is poor.  
Cannot compete with imported rice

## GENERAL INFORMATION

### 2. STEPS MUST BE TAKEN TO IMPROVE THE SITUATION

- 1) **Build capacity on post harvest handling** through practical trainings.
- 2) **Introduce technically feasible and affordable technology** to existing S/S farmers/processors
- 3) **Focus on improving quality of domestic rice processed by S/S processors**

## PROCESSING BUSINESS

### 1. OPERATION

- Present situation: **Self sustaining**  
↓
- Demand: **Modern processing facilities** to improve the quality/to ensure more gain  
↓
- To meet the demand: **More capital / Qualitative investment** are required

## PROCESSING BUSINESS

### 2. BUSINESS ENVIRONMENT- 1) DIFFICULTIES

#### Lack of ...

- Good **access road** to the business premises
- Good **source of water** for a good and hygienic operation
- Adequate **electricity supply**
- Modern **machineries**

## PROCESSING BUSINESS

### 2. BUSINESS ENVIRONMENT- 2) ADVANTAGES

- Provide **job opportunity** for the unemployed
- Encourages local production of rice for **National Food** sustenance to meet demand of increased population (167million people)
- Provides **a basis for research** for most academic institutions.
- Meeting **domestic and international market** demands
- The **National Rice Development Strategy (NRDS)** encourage the development of rice along all value chains.

## PROCESSING BUSINESS

### 3. IDEAL BUSINESS ENVIRONMENT for S/S PROCESSORS – 1) POLICY

- To protect and guard, and to make environment ideal for their businesses.
- To control the importation of foreign rice in order to encourage local production.
- To direct banks to liberalize conditions attached to allow farmers access to loan facilities .
- To design monitoring guard lines to ensure proper utilization of loans meant for rice production and processing.

## PROCESSING BUSINESS

### 3. IDEAL BUSINESS ENVIRONMENT for S/S PROCESSORS – 2) INFRASTRUCTURE

- Good source of water
- Electricity
- Access road
- And modern processing facilities

## PROCESSING BUSINESS

### 3. IDEAL BUSINESS ENVIRONMENT for S/S PROCESSORS – 3) PRICE

- Price of rice needs to be **stabilized by Pricing policy** → Sold according to weight not to quantity
- **Grading standard on the quality of rice** needs to be prepared → promote quality based trading which will help small processors

## PROCESSING BUSINESS

### 3. IDEAL BUSINESS ENVIRONMENT for S/S PROCESSORS –

- 4) MARKETS:** To be **located near small processor**  
→ Minimize costly, tasing and risky journeys
- 5) FINANCING:** **Easily accessible** financial loans of loan linkage be made → Boost their investment
- 6) TAX:** **Little or no tax** be imposed on materials or rice processing equipment's → Maximize the profits

## EXPECTATIONS FOR NIGERIAN GOVERNMENT

1. Improve Agricultural research/technology dissemination/adoption
2. 1) Improve/upgrade infrastructure/trade related capacities for market access,  
2) provide critical infrastructure
3. Provide strategic storage facilities/grain storage
4. Create adequate access to financial services
5. Impose tariff/levies/taxes on imported rice
6. Guarantee minimum price for producers of rice to encourage them have a good return to investment.

**Thank you for your attention**