



# **NIGERIA INCEPTION REPORT JAPAN 2016.**

# **BASIC INFORMATION**

## **Nigerian Presenters/CARD Focal Points**

- i. Mr. Opara, George Obinna  
Deputy Director (Cereals, Desk Officer Rice Value Chain);**
- ii. Mr. Dadet, John Mundi  
Deputy Director (Agribusiness and Marketing)**
- iii. Country; Nigeria**

### **Organization:**

**Federal Ministry of Agriculture and Rural Development**

## **Duties of your Organization/ Department and yourself**

- **FMARD is responsible for promoting and facilitating the development of Agriculture in Nigeria.**
- **The specific duties of Federal Department of Agriculture (FDA) is to promote rice production and the development of the Rice Value chain.**
- **While the specific duties of Agribusiness and Marketing Department is to promote policy implementation in rice processing and Market development.**
- **Mr. G.O.Opara and Mr. J.M.Dadet are Deputy Directors and CARD focal points of FMARD.**

# **Current Situation of NRDS and Rice sector in Your Country.**

**The NRDS is being implemented in Nigeria under the Rice Transformation Agenda (RTA)**

- **Government facilitated the establishment of 25 functional Integrated Rice Mills (IRMs) since 2008.**
- **Efforts are on for the establishment of additional 50 IRMs.**
- **Currently expanding and rehabilitating Irrigation infrastructure for Dry season rice production.**
- **Making inputs available to farmers through the GES Scheme.**
- **Challenges include high cost of finance, equipment and access to markets.**

## **Current Situation concerning Planning, Implementation, Operation and Management of Rice Processing, Storage, Transport and Market Infrastructures.**

- 60% of domestic parboiled milled rice is processed by small scale Millers.
- Drying of paddy is carried out at two levels, at the farmers level and at the par boilers level. At the farmers level drying is done by individual farm family while at par boilers level it is done either by a group of women or by individuals.
- Drying mainly is done by sundry in case of small scale farmers and par boilers.
- IRMs dry their paddy using dryer machines.
- Challenges include high cost of dryer machines and high cost of milling due to public energy problems.



# Storage

- Paddy is stored in strategic silos by Government and IRMs.
- Most farmers store their paddy in sacks in their homes. IRMs and some members of cooperative societies have warehouses for paddy storage. Due to the gap in paddy requirement and milled rice consumption paddy is not stored for a long time.
- Milled rice is stored at Millers warehouses before shipment to the market. Paddy and Milled rice is not stored in any air conditioned facilities due the energy problems.
- The challenges in storage includes; high cost of warehouse construction, inadequate availability of warehouses, no air conditioning in available warehouses and poor maintenance .

# Transportation.

- Paddy and milled rice is transported by traders and millers. This is done by use of trucks and mainly by roads. Most rural roads are in bad condition and this has resulted in high cost of transportation.
- Products are usually damaged during transportation as a result of accidents.
- Transportation vehicles are sometimes not covered and rain could easily damage either paddy or milled rice during transportation.

## Marketing.

- Domestic milled rice is sold in open and retail markets. Wholesalers do purchase milled rice from IRMs and cooperatives and resale to retailers and traders.
- Rice is traded in open local markets in rural areas and in retail shops in the cities.
- Milled rice is also traded in wholesalers' warehouses and through commodity exchanges.
- Paddy is also traded in open rural markets and through commodity exchanges.



# Challenges in Rice Processing, Storage, Transport and Marketing.

## A. Processing;

- Difficulty in aggregating paddy from numerous small scale farmers, traders and merchants.
- Small scale millers inability to access de stoners due to high cost.
- High cost of processing equipment.
- High cost of energy as most operations are powered by generators rather than public power supply. Public power supply is erratic.
- High cost of transporting paddy by millers.

## B. Storage.

- High cost of constructing warehouses
- Inadequate number of warehouses.
- Erratic power supply for the use of air conditioners.
- Expensive cost of maintaining warehouses leading to dilapidation.
- Poor maintenance culture by warehouse owners.

## C. Transportation.

- High cost of transportation due to poor condition of roads.
- Transport vehicles are opened type leading to damage of product during transportation.
- Accidents during transportation causes loss of products.

## D. Marketing

- In local markets domestic rice is traded in open containers leading to contamination.
- Domestic rice is not branded and graded especially by small scale millers.
- Market infrastructure are either lacking or poorly developed.

## Ownership of infrastructure.

- Processing infrastructure are privately owned.
- Some storage and market infrastructures are provided by the Government.
- Retail and wholesale markets are privately owned.
- The operation of the markets are done by the traders themselves and regulated by Government.
- The planning and implementation of market activities are done purely by the traders.

# Challenges in planning, implementation, and operation of processing and marketing infrastructures.

## A. Processing.

- Most of the small scale millers are not literate enough, so planning for their operations are not well coordinated and carried out.
- Provisions of operating space for machineries are poorly organized by most small scale operators
- High cost of energy
- High cost of establishing processing infrastructure and high cost of equipment.
- High cost of finance.

## B. Marketing.

- For local rural markets poor infrastructure is common especially stores and warehouses.
- No standardized packaging system in place.
- No grading system for domestic rice in force.

## Solutions to the challenges.

- Need to upgrade the capacities of processors and traders in the areas of marketing and business management.
- Financial windows with extremely low interest rates should be made available to all players.
- Tax holidays made available to new investors.
- Establishment of a grading system.



## **Good example of an efficient system.**

IRMs have organized system of processing, transportation, and marketing of their products. They also have an organized out grower system for the supply of paddy.

Thank You  
for Your  
Attention

