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From our Managing Director/ CEO

Mr. Aliyu Abdulhameed

Dear Reader,

It is a pleasure to reach you again with another issue of the NIRSAL Newsletter. Here we are, midway through a year that has been a mixed bag of challenges and opportunities, with some more success stories to tell.

NIRSAL Plc has made further inroads in the Midstream segment of the Agricultural Value Chain, financing agribusinesses that trigger economic chain reactions across commodity value chains. An injection of finance into processing facilities in the Midstream segment of a commodity value chain resonates in the pre-Upstream segment where seeds, chemicals, and services are produced and/or sold, as well as in the Upstream segment where production proper happens. Thus, new economic value is created and transmitted upwards and onwards to the markets.

While affordable finance – provided by banks and guaranteed by NIRSAL Plc – is the yearning of actors in the agricultural value chain, commendation must go to these actors themselves who build businesses that command the right attention. One such agribusiness is ADT Russet Ltd, a company peopled by young, energetic, and visionary individuals who are leveraging the vast resources of this nation to create and sustain wealth. ADT Russet Ltd is one of 748 current or past beneficiaries of the NIRSAL Credit Risk Guarantee (CRG) facility who have accessed over N124billion for their businesses. Most of them have also enjoyed the Interest Drawback (IDB) sweetener, which

returns up to 40% of interest charged to borrowers in good standing. So far, over N1billion has been so issued to good borrowers.

Whereas NIRSAL Plc's efforts in the Midstream segment of the value chain can somewhat be measured in terms of money, its work in the Upstream segment cannot be wholly quantified in monetary value. Preceding the creation of loans for primary production are structuring strategies for project success, continuity, and sustainability. The most prominent element of these strategies is the Agro Geo-Cooperative® (AGC) model. The model has now been fully unveiled to include embedded technical expertise at two levels: new AGC formation and accessing commercial finance. The AGC model is to be complemented by Input Geo-Cooperatives, Trading Geo-Cooperatives, and Marketing Geo-Cooperatives, with a logic that creates relevant value chain clusters, maps them to their respective input/output markets, and facilitates finance for them for optimum economic performance.

Alongside the foregoing, NIRSAL Plc continues to champion the agenda for climate-smart agriculture. Large developing economies like Nigeria can, by developing novel climate-sustaining food production strategies, attract sizeable global finance which is available for same. The world needs positive action that can visibly impact climate restoration efforts, or at least slow down the pace of



The innovative pursuit of high-quality beef, without prejudice to quality hydes, milk, and organic manure, is a worthwhile economic effort given the vast waiting market at the end of the chain

Climate Change. Within mechanisms geared towards producing food for as many as 200 million people lie opportunities for impactful change. Conversely, Climate Change awareness has occasioned NIRSAL Plc's painstaking work, together with partners, in developing Climate Risk Profiles for some important commodities in Nigeria. These efforts seek to build resilience in the face of changing climatic paradigms and their consequences on food production.

Proof-of-concept projects remain a pathway to the creation, demonstration, and domestication of new agribusiness ideas. NIRSAL Plc's Integrated Commercial Livestock Program (ICLP) in Yola, including a Cattle Market component amongst others, is the output of a continuous, concerted study of the livestock value chain in Nigeria. The innovative pursuit of high-quality beef, without prejudice to quality hydes, milk, and organic manure, is a worthwhile economic effort given the vast waiting market at the end of the chain. In its role of de-risking and facilitating agribusiness investments in Nigeria, NIRSAL Plc must necessarily lead thought and innovation for efficient marketing of the sector to the world of finance.

The sentiments of the world of finance inform NIRSAL Plc's work. Banks' perception of high risks, especially in the Upstream segment of the agricultural value chain, is the basis for the creation of Agro Geo-Cooperatives® and all structures that engender a transparent flow of funds,

near-zero cash handling, and equitable distribution of returns to all parties. Management deems it necessary to constantly interface with banks to jointly develop financing frameworks for new vistas in the agro-economy. These interfaces have produced much of the enthusiasm, backed by portfolio commitments, that is propelling Nigeria's agriculture sector onto great heights. NIRSAL Plc will remain relentless until agriculture and agribusiness hold similar attraction for investors as, say, Oil & Gas and Telecoms do.

Now a little over 5 years post-CBN, NIRSAL Plc has accomplished much in a short time. This short time has been made even shorter, literally speaking, by the incursion of the Coronavirus pandemic. For an organisation this young, it is our design to make the NIRSAL Newsletter not only news-based but also direction-based. The mandate is clear, but the path winding; only with the tools of innovation, technology, and policy support can we navigate effectively to a future that all Nigerians will be proud of. Thankfully, we are a highly innovative, tech-savvy institution; and we continue to profit from the wise leadership of the Chairman, Board of Directors of NIRSAL Plc and Governor of the Central Bank of Nigeria, Mr. Godwin Emefiele, and the pro-agriculture disposition of President Muhammadu Buhari. We have all we need, and we will succeed! Remember, Dear Reader, that our success is your success!

Best Wishes!

SOME OF NIRSAL'S



(L-R) Mr. Elias Igbinakenzua, Managing Director/CEO of Globus Bank, pictured with Mr. Aliyu Abdulhameed, Managing Director/CEO, NIRSAL Plc, during NIRSAL's visit to Globus Bank in Lagos.



Mr. Elias Igbinakenzua and Mr. Aliyu Abdulhameed (both middle) flanked by members of their Management teams during NIRSAL's visit to Globus Bank in Lagos.



(L-R) Mr. Aliyu Abdulhameed, Managing Director/CEO, NIRSAL Plc, pictured with Mr. Walter Akpani, Managing Director/CEO of Providus Bank, during NIRSAL's visit to Providus Bank in Lagos.



(L-R) Mr. Aliyu Abdulhameed, Managing Director/CEO of NIRSAL Plc, with Mr. Lesley Ndlovu, CEO, African Risk Capacity (ARC), during ARC's visit to NIRSAL in Abuja.



Mr. Aliyu Abdulhameed receives Hon. Abike Dabiri-Erewa, Chairman, Nigerians in Diaspora Commission (NIDCOM).



Mr. Aliyu Abdulhameed during a courtesy visit to Alhaji Aliko Dangote, Chairman, Dangote Group, in Lagos recently.

RECENT ENGAGEMENTS



(L-R) Mr. Bayo Rotimi, Managing Director/CEO of Greenwich Merchant Bank, with Mr. Aliyu Abdulhameed, Managing Director/CEO, NIRSAL Plc, during NIRSAL's visit to Greenwich Merchant Bank in Lagos.



Mr. Aliyu Abdulhameed, Managing Director/CEO, NIRSAL Plc (5th from left), and a cross-section of panellists at the Agri-Investments and Capital Market Forum (AICM 2021) held in Lagos recently.



(L-R) Mr. Aliyu Abdulhameed, Managing Director/CEO of NIRSAL Plc, hosted Princess Adejoke Orellope-Adefulire, Senior Special Assistant to the President on Sustainable Development Goals (OSSAP-SDGs), and her team at NIRSAL recently.



Mr. Aliyu Abdulhameed and Princess Adejoke Orellope-Adefulire (both middle) flanked by members of their senior technical teams during the visit of the OSSAP-SDGs to NIRSAL.



(L-R) Mr. Aliyu Abdulhameed, Managing Director/CEO of NIRSAL Plc, walking with Engr. Suleiman Hussaini Adamu, Hon. Minister of Water Resources, during a recent visit to the Ministry in Abuja.



(L-R) Mr. Aliyu Abdulhameed, Managing Director/CEO of NIRSAL Plc, with Prof. M.S. Haruna, Executive Vice Chairman, National Agency for Science and Engineering Infrastructure (NASENI), during the Prof's visit to NIRSAL in Abuja recently.



Cocoa: NIRSA Boosts N1.15 Billion Export Facility in Lagos

In a move that will help Nigeria benefit from the over \$67 billion global cocoa market, The Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSA Plc) has provided ADT Russet Limited – a Cocoa Bean sourcing and exporting company in Lagos State – with 50% Credit Risk Guarantee (CRG) on a working capital facility of N1.15 billion.

Besides the absorption of a substantial part of its risk exposure in the event of loan delinquency, NIRSA Plc is also providing efficient monitoring of the project which is aimed at boosting ADT Russet's export volume to 4,000MT per annum.

By supporting ADT Russet's operations, NIRSA Plc is also indirectly creating a stronger market for the many cocoa farmers who supply their inventory.

A Special Purpose Vehicle (SPV) that was set up only in December 2019 by Arma Dei Trading Limited, ADT Russet Ltd. has leveraged NIRSA Plc's support to ship over

1,600MT of commodities to international markets, surpassing the numbers of its parent company which has been in existence for far longer.

Speaking during a tour of ADT Russet Ltd.'s factory in Apapa, NIRSA Plc's Managing Director/CEO, Mr. Aliyu Abdulhameed, noted that NIRSA has provided similar support to another cocoa processing and exporting company in the South-West region, this time, in Akure, Ondo State. He said, "We are happy to yet again demonstrate our willingness and capability to support Agro-allied companies across the country to grow their businesses, engage smallholder farmers, and earn foreign exchange for the Nigerian economy."

Also present at the tour of ADT Russet's facility were the Managing Director of the company, Mr. Charles Eteri, and members of his management team; Mr. Olaniran Olayinka, Managing Director of Keystone Bank and his team, as well as staff of NIRSA Plc's Project Monitoring, Reporting and Remediation Office (PMRO) in Lagos State who are promoters of the project.



The MD of ADT Russet Ltd, Mr Charles Eteri (far left), leading the MD/CEO of NIRSAL Plc, Mr Aliyu Abdulhameed (5th from left) and his team, on a tour of the company's facility.



We are happy to yet again demonstrate our willingness and capability to support Agro-allied companies across the country to grow their businesses, engage smallholder farmers...

business space that is witnessing paradigmatic changes on account of NIRSAL's work.

Over the years, the risk management institution has facilitated the flow of more than ₦150 billion into agriculture from multiple sources. At least ₦124 billion of that sum came from commercial banks who leveraged NIRSAL's Credit Risk Guarantee (CRG) facility in addition to investing in de-risked, structured, and well-monitored projects to make high investment returns.

While NIRSAL Plc relies on the high level of control afforded it by its innovative value chain solutions as a safeguard for its risk exposure, the banks rely on same, in addition to the CRG facility for the safety of their financial investments. According to the value chain segments where projects are situated, NIRSAL's guarantee cover on bank loans ranges from 30% to 75%.

Granting these Credit Guarantees to agribusinesses that meet its requirements is NIRSAL Plc's routine operation for which no fanfare is required, however, the ADT Russet project is crucial to its running strategy of expanding its portfolio in the South-West region. Being a major hub of Nigeria's finance sector, it should be easy, NIRSAL believes, to create a firm handshake between finance and agriculture in the region as an example for the rest of the country. Expectedly, testimonials from NIRSAL's tentacles in the South-West are strengthening its push for a more impactful handshake between the sectors countrywide.

NIRSAL Plc favours the value chain approach to financing agriculture. The pull and push power of the Midstream segment – where ADT Russet operates – can gainfully impact Pre-Upstream and Upstream operators, as well as Downstream markets. Thus, by financing ADT Russet, suppliers of seeds, agro-chemicals, and services on the one hand, and cocoa farmers on the other, are economically activated. Overall, a marked increase in output, capacity utilization, financial performance, and new direct and indirect jobs are expected from this project. ➤

Mr. Charles Eteri commended NIRSAL for its unique role in supporting serious-minded business firms whose operations are contributing to Nigeria's quest for economic growth and diversification. He said that his foray into agro exports have been successful, and the potentials for growth owing to NIRSAL Plc's innovative support are enormous. He was effusive about NIRSAL's value chain approach to agribusiness financing, pledging to contribute to the sustenance of the cocoa value chain by dealing fairly with the smallholder farmers who supply his inventory.

Speaking for Keystone Bank, Mr. Olaniran Olayinka opined that Deposit Money Banks do not need to be coerced into financing agriculture, insisting that structured value chains and de-risked projects would naturally, and on their own merit, attract any profit-seeking business entity. He added that where there is a strong intention to support national priorities, like in Keystone Bank, de-risked and structured agribusiness projects become an even more compelling business proposition.

The tripartite relationship between NIRSAL Plc, ADT Russet Ltd. and Keystone Bank is part of the growing outcomes of NIRSAL Plc's high-level engagements with Deposit Money Banks, Merchant Banks, Finance Houses, MDAs of Government, and local and international Development Finance Institutions (DFIs), wooing them into an agriculture/agri-

PHOTOS FROM THE CRG-BACKED PROJECT



LAUNCH AT ADT RUSSET LTD, IJORA, LAGOS





NIRSAL Plc Launches State-of-the-Art, Optimized Cattle Market

Representatives of NIRSAL Plc, MACBAN, and Community Leaders at the launch

To ensure end-to-end linkages in line with its Agricultural Value Chain development principles, NIRSAL Plc launched the NIRSAL Integrated Commercial Livestock Development Programme (ICLP) Cattle Market, a structured market for the sale of livestock in Yola, Adamawa State.

The NIRSAL ICLP Cattle Market is a structured market mostly for cattle trade with the objective of providing an avenue for facilitating secured trade between buyers and sellers of livestock in a hygienic and modernized environment. The cattle market will also serve as a platform for the sale of feed finished bulls from the NIRSAL ICLP Feedlot component.

Over the next 5 years, the NIRSAL ICLP Cattle Market will facilitate Livestock trade and access to market for 19,000 bulls, generating an economic value of NGN3.87billion by increasing interest in the livestock value chain, thereby contributing to achieving food security and socio-economic growth for the nation.

Furthermore, the project is expected to provide access to markets and other forms of support to 2,195 agribusiness actors in the Cattle value chain and positively impact about 11,000 Nigerians.

In setting up and operating the ICLP Cattle Market, the Managing Director/CEO of NIRSAL Plc, Mr. Aliyu Abdulhameed, confirmed that the risk management institution engaged professionals with experience in cattle market operations and garnered support from critical Local Authorities and Associations that will provide operational support, collect regulatory fees, enlighten cattle traders on market activities and provide security support.

Other than facilitating finance for the Cattle Market and setting up a proof-of-concept facility, Abdulhameed said that NIRSAL Plc's critical contribution also comes in the area of innovation, having set up a team to research the macro and microelements that make up cattle farming and marketing in Nigeria. The team's four-year work formed the basis for developing a blueprint for a more sustain-



able, economically viable and contemporary livestock sub-sector in Africa's most populous nation.

Abdulhameed was speaking at a flag-off event of the Cattle Market held in Yola, Adamawa State. The event was attended by the would-be beneficiaries of the facility including cattle farmers, herders, manure buyers, feed producers, and members of the surrounding communities for whom clerical and operational jobs exist within the Cattle Market.

True to the innovation referenced by Abdulhameed, a key feature of the NIRSAL ICLP Cattle Market is its novel loading ramp at designated trailer parking bays which will reduce cattle loading lead times and labour requirements.

The project will also consider environmental and social factors to ensure involvement and positive impact on the community, gender mainstreaming, avoidance of environmental pollution, conversion of waste to manure as organic inputs for farming activities, etc.

The ICLP Cattle Market is scheduled to operate every Thursday, providing state-of-the-art facilities such as Loading Ramps, Slaughtering Area, Trailer Park and other ancillary services at fixed fees.

It is a component of the NIRSAL Integrated Commercial Livestock Programme (ICLP), an intricate and futuristic programme that will add tremendous value to the livestock value chain while creating a positive impact on the lives of Nigerians.

In addition to creating jobs and increasing the Government's revenue generation, this revolutionary project by NIRSAL Plc has the potential to positively alter the economic outlook of Nigeria and provide a possible solution to the farmer/herder crisis.

With inter-connecting components that include a Feedlot Facility, a Breeding Facility, Pasture Production, an Irrigation System, Manure Production, Soil Science and an Animal Science component housing veterinary services, the NIRSAL ICLP would fatten 1,000 bulls in three 90-day cycles per year and produce 300kg of milk from 100 heifers during each breeding cycle. Also, a 90-hectare maize, napier and brachiaria field would be maintained with the irrigation system to produce feed for the animals all year round

The combination of these operations makes for an efficient and self-sustaining ecosystem that will generate revenue through the various operations. Each component is operated by a manager under the overall supervision of the Ranch Manager. Revenues will flow from the sale of live finished bulls, fresh milk, yoghurt, brachiaria grass, napier (silage), napier cuttings, maize, crossbred bulls and heifers, tractor hiring services, and organic manure.

This innovative project is expected to make Nigeria self-sufficient in beef production as its successful implementation will provide a blueprint that can be replicated in other states across the country. This will, in turn, reduce the need to import live cattle into the country while creating the potential for export. ➤



Providus Bank commits N5b to Agribusiness through NIRSAL Plc



MD/CEOs of Providus Bank and NIRSAL Plc, Mr Walter Akpani and Mr Aliyu Abdulhameed, respectively (6th & 7th from left), flanked by their Management teams

NIRSAL Plc has continued to get more commercial finance into agribusiness by strengthening the handshake between the finance and agriculture sectors. Recently, the Managing Director and CEO of the risk management company, Mr. Aliyu Abdulhameed, led his team on a strategic meeting with Commercial and Merchant Banks in Lagos to apprise them of the promising, investment-friendly developments in Nigeria's emerging agriculture/agribusiness sector.

Across two days, the NIRSAL team met with the Executive Management teams of Providus Bank, Globus Bank, and Greenwich Merchant Banks, as it moves to expand its business partners in the banking sector.

Over the years, NIRSAL Plc has caused the flow of over N150 billion into agriculture and agribusiness from commercial banks, government's development finance, and

other sources. At least N124 billion of that sum came from commercial banks who leveraged NIRSAL's Credit Risk Guarantee (CRG) facility in addition to investing in de-risked, structured and well-monitored projects.

While NIRSAL Plc relies on the high level of control afforded it by its innovative value chain solutions as a safeguard for its risk exposure, the banks rely on same and the CRG facility for the safety of their financial investments. According to the value chain segments where projects are situated, NIRSAL's guarantee cover on bank loans ranges from 30% to 75%.

In his presentations to the banks' representatives, Aliyu Abdulhameed focused on value chain financing using a risk-based approach. He noted that the agriculture sector's inherent size and growth potential make it a unique niche where the banks can invest in and keep



Both organizations will also draft a Memorandum of Understanding (MoU) to guide collaboration on the Bank's new agribusiness portfolio

growing despite the Covid pandemic and its twin evil of economic gloom.

Following the exposé by the NIRSAL team, Mr. Walter Akpani, Chief Executive Officer and Managing Director of Providus Bank, committed to the next steps proposed by NIRSAL, namely, the deployment of an online platform for a collaborative review of pipeline deals and expedited approvals. In the same breath, he declared that his Bank was setting N5 billion aside for agribusiness deals emanating from its partnership with NIRSAL Plc.

Proceeding with the next steps, NIRSAL is scheduled to train relevant staff of Providus Bank on its Risk Management Tools, Techniques and Methodologies, as well as Agribusiness Finance approach. Both organizations will also, draft a Memorandum of Understanding (MoU) to guide collaboration on the Bank's new agribusiness portfolio.

Elsewhere in Lagos, Messrs. Elias Igbinakenzua and Bayo Rotimi, CEOs and Managing Directors of Globus Merchant Bank and Greenwich Merchant Bank, respectively, also made commitments like that of their Providus counterpart. Platforms for joint screening of pipeline deals and staff trainings would follow as next steps, centred around the execution of Agreements that would enable both institutions to collaborate effectively with NIRSAL Plc.

NIRSAL Plc's efforts continue to amplify the narrative that agriculture is attractive to commercial finance when de-risked, structured and controlled. The perception of high risk which led to the long systematic neglect of the sector is giving way to NIRSAL's new paradigm of innovation, efficiency, monitoring and results. 📌

NIRSAL AGRO GEO-COOPERATIVE®

SENSITIZATION ON THE BENEFITS OF AGRO GEO-COOPERATIVES®



ARDO KOLA LGA, TARABA STATE



IMEKO/AFON LGA, OGUN STATE



MBANO LGA, IMO STATE



FUFURE LGA, ADAMAWA STATE



ABAKALIKI LGA, EBONYI STATE



BURSARI LGA, YOBE STATE



BODINGA LGA, SOKOTO STATE



AKPABUYO LGA, CROSS RIVER STATE

FORMATION ACTIVITIES - Q2 2021

KNOW YOUR FARM (KYF): MEASURING GEOGRAPHIC COORDINATES AND LAND SIZES



ARGUNGU LGA, KEBBI STATE



BOLUWADURO LGA, OSUN STATE



AGATU LGA, BENUE STATE



IFEDORE LGA, ONDO STATE



NEMBE LGA, BAYELSA STATE



ALIMOSHO LGA, LAGOS STATE



ALIMOSHO LGA, LAGOS STATE



OKPE LGA, DELTA STATE

KNOW YOUR NEIGHBOUR (KYN): DETERMINATION OF BOUNDARIES AND ONBOARDING OF MORE FARMERS



CALABAR, CROSS RIVER STATE



AHOADA LGA, RIVERS STATE



YOLA, ADAMAWA STATE



AYAMELUM LGA, ANAMBRA STATE



ESIT - EKET LGA, AKWA IBOM STATE



GBOKO LGA, BENUE STATE



ESSIEN UDIM LGA, AKWA IBOM STATE



BURSARI LGA, YOBE STATE

FORMATION ACTIVITIES - Q2 2021

KNOW YOUR CUSTOMER (KYC): MEMBERS OF AGCs PROVIDING NECESSARY DOCUMENTATION



DUKKU LGA, GOMBE STATE



MAKURDI LGA, BENUE STATE



EGOR LGA, EDO STATE



OBO/AKPOR LGA, RIVERS STATE



BARUTEN LGA, KWARA STATE



EASTERN OBOLO LGA, AKWA IBOM STATE



KOSOFE LGA, LAGOS STATE



WASE LGA, PLATEAU STATE



Addressing the Cattle Value Chain Productivity Challenge for Improved Farmer Livelihoods and Inclusive Economic Growth

INTRODUCTION

Global discourse¹ on avenues to end extreme poverty and boost shared prosperity has continually identified agricultural development as a key pathway. In line with this assertion, the livestock segment of agriculture provides great potential in raising incomes among the poorest, as an estimated 75%² of the extreme poor, globally, keep livestock as part of their livelihood portfolios.

In Nigeria, cattle rearing is an integral part of rural livelihoods, providing the predominantly pastoral smallholder farming households - who account for over 80%³ of cattle production activities - with a crucial asset and an important source of livelihood and nourishment.

Needless to say, safeguarding and increasing livestock pro-

ductivity in Nigeria is a veritable strategy for improving and sustaining livelihoods through agriculture.

The Nigerian Cattle Value Chain - Current State and the Productivity Challenge.

According to the Food and Agriculture Organisation (FAO)⁴, on the global and continental stage, Nigeria's cattle population accounts for 1% of global and 6% of African cattle, with an estimated cattle headcount of 20.6 million. In terms of consumption, with 3.2 million cattle slaughtered for beef and 2.2 million cattle utilised for milk production annually, Nigeria ranks 5th (8%) and 8th (3%) on the African continent for cattle utilized for meat and milk production respectively. Despite high rates of consumption, Nigeria's cattle value chain productivity ranks poorly with an average meat yield of 100kg/cattle and milk yield of 237kg/cattle; a far cry from

1. World Bank - Agriculture and Food Context - <https://www.worldbank.org/en/topic/agriculture/overview>

2. FAO - Livestock Assets, Livestock Income and Rural Households

3. International Journal of Research Studies in Agricultural Sciences (IJRSAS) - Indigenous Breeds of Cattle, their Productivity, Economic and Cultural Values in Sub-Saharan Africa: A Review

4. FAO - FAO STAT, 2019 dataset

5. Nigerian Bureau Statistics (NBS) - Consumer Price Index Reports



the 2019 continental meat and milk averages of 162kg/cattle and 790kg/cattle respectively. The poor yield recorded has resulted in beef being a key contributor to Nigeria's rising food inflation⁵ and has also created a demand gap for cattle-related products such as milk and dairy with an annual importation bill of over \$1.3 billion⁶.

The underperformance of the Nigerian cattle value chain can be attributed to a range of factors including poor cattle breed selection, inadequate animal health and nutrition, and the dominance of the rudimentary pastoralist system which exposes cattle to risks and diseases and causes weight loss. All together, these factors undermine optimal yield, consequently distorting market prices, and trapping farmers in an unending cycle of poverty.

Population growth, urbanisation, and key trends such as the implementation of the African Continental Free Trade

Area (AfCFTA) are expected to increase demand, increase market competition and deplete available free-range grazing areas; the Nigerian cattle value chain must be radically transformed to respond to the potential impact of these factors.

Enhancing Productivity of the Nigerian Cattle Value Chain

FAO⁷ prescribes that securing access to basic production inputs, risk-coping mechanisms and facilities such as safe-guarded production areas, feed, water, animal health services, credit, information, and output markets will improve cattle value chain productivity. The FAO also recommends that these actions must be aligned with country-level peculiarities.

For Nigeria to achieve significant development in its Cattle Value Chain, there is a need to adopt an approach that structures, organizes, integrates and optimizes the value chain on one hand and responds to the current small-holder pastoralist nature of activities of the value chain on the other hand.

So then, what strategies can Nigeria employ to improve productivity sustainably and inclusively along its cattle value chain?

The National Livestock Transformation Plan (NLTP) 2019-2028 has identified several strategies for success including the:

- formation of smallholder-producers/herders into clusters to create viable ranch herd sizes;
- development of commercial crop production to supply quality fodder and other feed materials;
- development of onsite or proximate processing services to minimize transport of live animals; and
- creation of cooperatives for sustainable access to inputs, infrastructure, finance, markets, and support services.

The NLTP proffers a smallholder-focused framework to transform the cattle value chain in an integrated manner by evolving and strengthening intensive livestock production systems, to make the sector more productive and sustainable. Despite the ingenious propositions of the NLTP, it has witnessed slow implementation with the current fiscal constraints of the Federal and State Governments.

In order to realize expected outcomes in the cattle value chain, integrated, commercially viable, sustainable, investment-worthy and de-risked livestock agribusiness models must be adopted and operated by the private sector.

6. FAO – Africa Sustainable Livestock 2050: The Future of Livestock in Nigeria

7. FAO - Pro-Poor Livestock Policy Initiative: Livestock Sector Development for Poverty Reduction

Adopting integrated models will require the identification of complementary interactions across the cattle value chain that will guarantee maximum returns for the Private Sector. In line with this assertion, adopted models must create ready markets for outputs produced sustainably.

An optimised integrated model designed by NIRSAL Plc to address this imperative consists of **Pasture Production** to produce silage and concentrate to feed cattle, embedded with climate-smart irrigation systems for efficient and sustainable multi-season production; **Fodder Bank** to process and store output from the pasture production; **Feedlot** for the feed finishing of bulls, utilising output from the pasture and fodder bank; **Breeder Facility** for the efficient reproduction of improved cattle breeds; **Milking Facility** for the value-added processing of milk produced by heifers in the breeding facility into yoghurt; **Biogas Plant** to generate electricity to power activities, through the production of methane gas from cattle dung; **Auction Arena/Cattle Market**; for the sale of live feed finished bulls.

Such an integrated model ensures the complementary and efficient interaction of cattle value chain activities, while also establishing a ready market for the offtake of all outputs across the segments of the chain including feed-finished bulls with higher weights and economic value than their pastoral counterparts. An important attribute of this model is the colocation of all its components.

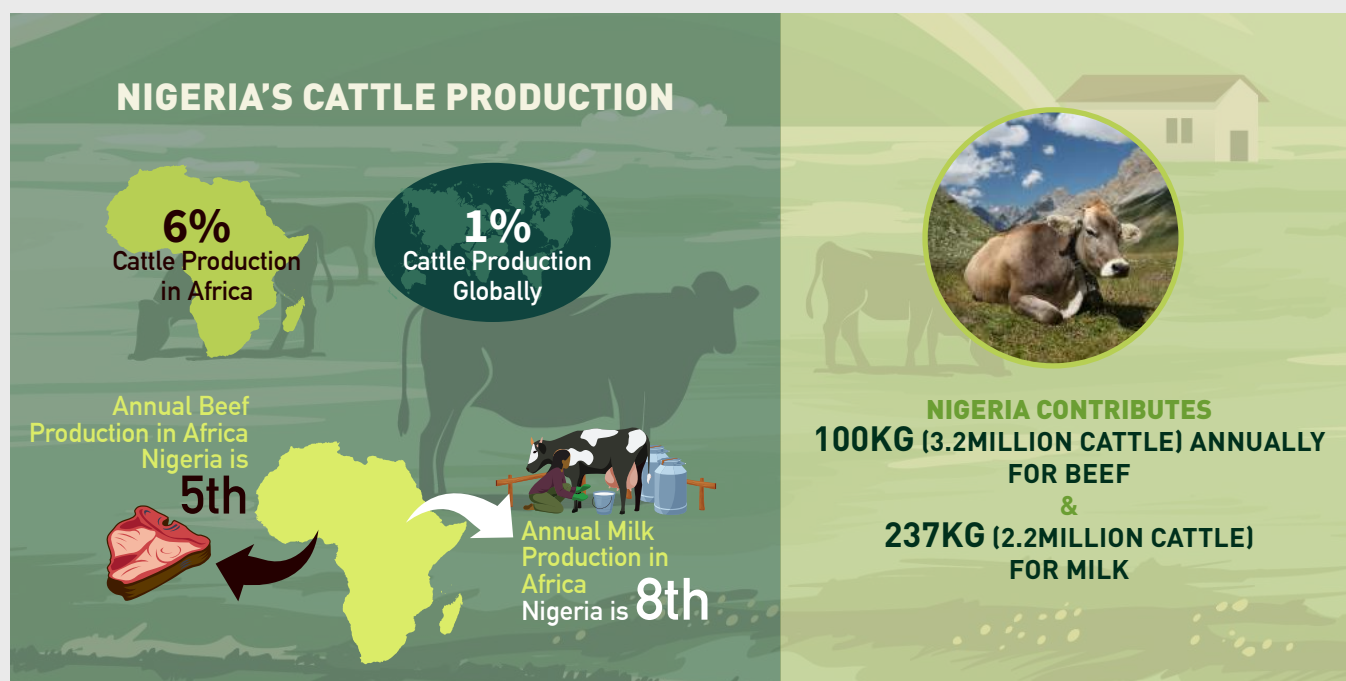
The implementation of a similar model in Mali recorded a 100% increase in outputs and revenue for private sector players under the World Bank-funded Agricultural Competitiveness and Diversification Program (ACDP)⁸. Similar

to Nigeria, Mali possesses huge potentials for cattle production but witnessed challenges in productivity due to the predominance of pastoral systems. Considering the capital-intensive nature of developing the cattle value chain, the ACDP adopted a blended finance approach by providing part-financing to cattle farmers in establishing infrastructure comprising of sheds, foddors, feedlots etc. Blended finance approaches are proven to work not only in the form of direct investments but also through credit risk guarantees and other instruments. The utilisation of an integrated system for cattle production under the ACDP resulted in significant improvement in the quality and quantity of meat produced, thereby increasing the revenue-generating potential of beneficiaries.

Considering the results achieved in Mali, the Nigerian Government, financiers, and investors should adopt the integrated model utilising a blended finance approach for addressing financial constraints and unlocking the potentials of Nigeria's livestock value chain for an impressive return on investments and inclusive economic growth.

Conclusion

The integrated cattle value chain approach promises improvement in commercial viability and competitiveness. This is attractive to the private sector, leading to increased flow of sustainable finance to the cattle value chain, national self-sufficiency in the production of beef, milk, leather and other products, improvement in the livelihoods of pastoralists, reduction in the recurring farmer-herder crisis, increase in economic output, employment, and income multipliers, and a \$1.3 billion annual dairy import substitution. 📌



8. World Bank - <https://www.worldbank.org/en/news/feature/2016/01/14/malian-livestock-farmers-turn-to-cattle-fattening-to-increase-their-income>

i-FAIR 2020/21: A NIRSAL-Supported Innovation Hub for Modular Agric Equipment



With a mandate to De-Risk Agriculture and Facilitate Agribusiness in Nigeria, it was not strange to find NIRSAL Plc in the company of innovators – most of them of Agric tools and equipment – at the recently held Innovation Fellowship for Aspiring Inventors and Researchers (i-FAIR) 2020/21 in Abuja.

Aware of its mandate, youth thrust, and innovative spirit, the Embassy of the State of Israel in Nigeria approach NIRSAL Plc to partner and participate in the event.

As described by Yotam Kreiman, Chargé d'Affaires of the Israeli Embassy in Nigeria, i-FAIR is a platform that is committed to supporting innovative Nigerian youth to transform their ideas into financially viable inventions that will drive

sustainable and inclusive industrialisation in the country.

Strategically inclined to improving the lot of Nigeria's small-holder farmers, NIRSAL Plc supported the hosting of the fair. Its representatives looked out for innovations that would have an immediate, positive impact on actors in the Upstream segment of the agricultural value chain, as well as adjoining segments. Faisal Sani Bala's Aadana, a smart, solar-powered fresh food storage system, caught their attention.

As Nigeria continues to grapple with the challenge of post-harvest losses – especially of fresh fruits and vegetables, Aadana emerges as a possible solution. The system maintains regulated humidity and temperature, kills mi-

crobes with UV light using IoT. It records the conditions of produce stored in it and the working condition of the storage system and logs it into the cloud for remote data access.

i-FAIR threw up a lot of innovations for serious consideration. While the mechanics of these innovations are consistent with industrial setups, the innovators produced portable, cost-effective devices that can serve small-scale use. Afam Nnamani's Soldri can upgrade the process of drying agricultural produce in rural areas. Soldri is a smart solar dryer that uses sensors and controllers to dry perishable food crops with predetermined moisture control. This innovation has moisture requirements for export in mind.

Another innovation with considerable potential was the Silva Biofertilizer, an eco-friendly and organic alternative to imported chemical fertilisers. It is liquid and contains microorganisms that produce potassium. The inventor, Kene Aroh, explained that it can increase farmers' yields by up to 40%.

Where traditional farming communities use scarecrows or farm guards, Samuel Olafaju is proposing a modular solar-powered Farm Intrusion Detection System that utilises artificial intelligence to detect, identify and report potential threats to farmlands from a distance.

Equally innovative is Igwe Ekene Ralph's Pluck Off which can help poultry farmers add value to their produce by de-feathering birds in seconds and selling directly to consumer markets.

i-FAIR was mouth-watering for the sponsors and innovation promoters present. The organisers worked out the costs of Minimum Viable Products and start-ups to aid participants with a fair view of support and sponsorship requirements.

NIRSAL Plc is reliant on technology and innovation as it pursues its mandate of de-risking agriculture and facilitating agribusiness. Having deployed heavy technological assets like Geographic Information Systems, Multi-Spectral Remote Sensing & Radio-Frequency identification, and end-to-end agricultural mechanization equipment in the creation and operationalization of Agro Geo-Cooperatives®, it is seeking modular equipment that can aid individual farmers directly on their farms.

Consequently, having connected well with the i-FAIR's objective, NIRSAL Plc picked and pledged its support to twelve of the innovators and researchers on show. Out of the twelve, eight reached the i-FAIR Grand Finale – a testament to the ingenuity of their ideas. ➡





NIRSAL Plc Mulls Over More Value Chain Fixing Models with Trading Geo-Cooperatives

NIRSAL Plc's value chain approach to boosting agriculture financing is at the centre of its Agro Geo-Cooperative® (AGC) model. The model aggregates small-holder farmers and their land assets to leverage economies of scale in purchasing inputs (from Input Geo-Cooperatives), in producing commodities, and in marketing/selling same. More importantly, such scale and structure present lenders with, not just a sizeable investment which is the production project, but also a large pool of customers to service with other financial products. As of Q2 2021, over 4,000 AGCs have been created across the country as more and more farmers subscribe to NIRSAL's logic.

The same template is being introduced to other segments of the agricultural value chain. Farmers do not produce for themselves but for markets. If the flow of value from farms to markets is not fluent, earnings for all actors previously financed to produce would be suboptimal. A major post-farm logistic challenge has been identified: the traders who buy from farmers and transmit to processors and/or consumers have limited capital. At farmgates, therefore, smallholder farmers face the tough decision of either selling cheap or risking mass spoilage. Trading Geo-Cooperatives (TGCs) are NIRSAL Plc's emerging solution to this challenge.

Though Agro Geo-Cooperatives®, owing to their size, structure and resources, would be better able to preserve their produce while negotiating for fairer offtake prices, they may not take on the logistics of moving commodities to all the places they are needed. 'Middlemen' have existed for many years, providing this crucial service. Their existence and collective experience contribute a significant portion

of what NIRSAL's Trading Geo-Cooperative model has been designed to run on. With the methodical aggregation of these agents, the setup of better structures, and access to finance, these traders, now in Trading Geo-Cooperatives, would offer better value to farmers for their sweat.

A value chain approach to boosting agricultural financing means that the work is not fully done with the introduction of Trading Geo-Cooperatives. Wholesalers and retailers in consumer markets require the capacity to receive the full value being transmitted by the traders up the chain. Until goods get to the final consumers at the right place and time, and in the right quality, quantity and price, the entire value chain remains suboptimal. Marketing Geo-Cooperatives can provide the structural guarantees that lenders may need to finance inventories at the consumer market level. The movement of the inventories becomes the health monitor of the entire value chain, triggering solutions that may be required at different points from time to time.

Despite being a highly innovative company, NIRSAL can hardly lay claims to any genius in developing these models. Every individual actor knows that access to more capital can boost their overall contribution to the agricultural value chain. At the very least, a faint knowledge of what to do exists, it is the means that is so sorely lacking. This knowledge, no matter how foolproof, is incapable of prizing the vaults of banks open and making finance available. NIRSAL's deal-structuring abilities bridge that gap, hence its Agro Geo-Cooperative® models which speak to the requirements that are germane to accessing commercial finance. 🐘

PRE-GUARANTEE ISSUANCE



AKPABUYO LGA, CROSS RIVER STATE



MAKURDI LGA, BENUE STATE



ETINAN LGA, AKWA IBOM



AKPABUYO LGA, CROSS RIVER STATE



ODIGBO LGA, ONDO STATE



ETSAKO-CENTRAL LGA, EDO STATE



DANGE SHUNI LGA, SOKOTO STATE



ALKALERI LGA, BAUCHI STATE

VISITS ACROSS STATES



IKPOBA-OHKA LGA, EDO STATE



OHAOZARA LGA, EBONYI STATE



ISI UZO LGA, ENUGU STATE



KALTUNGO LGA, GOMBE STATE



DAMBATTA LGA, KANO STATE



HADEJIA LGA, JIGAWA STATE



SABON BIRNI LGA, SOKOTO STATE



EMOHUA LGA, RIVERS STATE

NIRSAL Plc's CEO Makes Case for Technology-Driven Value Chains at the Ecobank-Vanguard Agribusiness Summit

For a second year running, NIRSAL Plc participated in the Ecobank-sponsored Vanguard Economic Forum Series. The Summit, themed "Digitizing the Agricultural Value Chain for Unlocking Productivity, Economic Growth and Food Security", was virtual, as against last year's that had all participants in one venue.

The summit brought experts from different sectors relevant to agriculture together to discuss technology, access to finance, improved productivity, and access to markets.

Aliyu Abdulhameed, Managing Director/CEO of NIRSAL Plc, who has severally commended Ecobank for opening commercial banks' perception of agriculture up to the inputs of experts in the field, gave a presentation on "Creating Enabling Structures for Technology-Driven Agriculture Value Chains".

His presentation dwelt on NIRSAL Plc's use of field technologies – which are agribusiness investment enhancers, but also on the other capitals needed to fully transform Nigeria's agriculture into agribusiness, including equipment, human, and finance capitals. These four capitals, according to Abdulhameed, would match Nigeria's vast resources in land, water, labour, and help Nigeria to attain a food secure future.

Abdulhameed elaborated that technology capital presents a pathway to addressing diverse agricultural value chain challenges that limit productivity and constrain food security, like reduced value chain resilience, low yield and disaggregated production structures, poor value addition and quality compliance, high post-harvest losses, and non-existent field-based and digital transaction solutions. He said that NIRSAL's Agribusiness Models and Financing Frameworks present immense opportunities to investors and financiers to reap highly competitive returns from agribusiness.

For a long time, commercial banks perceived agriculture to be a high-risk investment landscape, leading to a systematic disenchantment in terms of lending to the sector – especially primary production. With a mandate to De-Risk Agriculture and Facilitate Agribusiness in Nigeria, NIRSAL Plc has re-sold the sector to financiers, leading with value chain fixing and project structuring & control, and complementing that with risk-sharing by offering up to 75% credit guarantees.

Ecobank is leading many other banks in taking advantage of NIRSAL's existence, having made a N70 billion agric portfolio commitment to NIRSAL-sourced and backed agribusiness projects. In her opening remarks for the summit, Carol Oyediji, an Executive Director of the Bank, gave participants a hint of Ecobank's positive disposition to agriculture, and

their anticipation of a technology-driven sector in which low productivity problems would be solved.

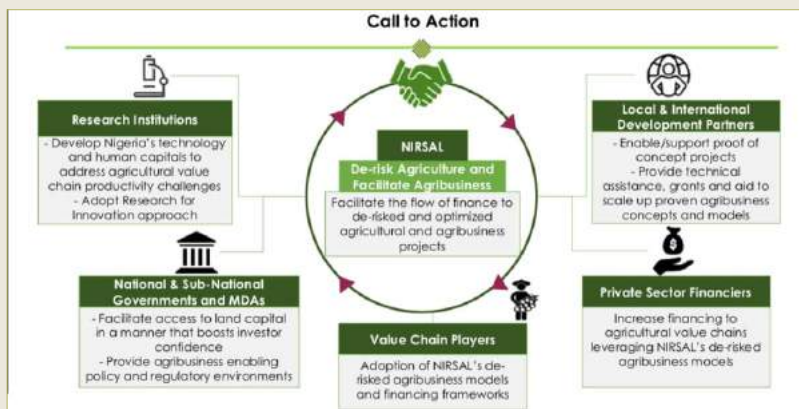
She reasoned that with the exponential penetration of mobile networks to rural areas, mobile solutions leveraging on this coverage could help more farmers scale up in their businesses by improving yields, and connecting them to the market supply chains, thus addressing food security, adaptation and resilience to climate change.

Mr. Patrick Akinwuntan, Managing Director, Ecobank Nigeria, in highlighting the bank's contribution to capacity building and empowerment of farmers and agribusinesses in terms of finance, mentioned the N70 billion which the bank has set aside in partnership with NIRSAL for participation in the agricultural sector.

Akinwuntan believes that in AfCFTA lies greater opportunities for Nigeria's agriculture, hoping for a larger uptake and participation of the agricultural sector in the export drive of Nigeria, with products such as shea butter, gum arabic, coconut oil, sesame seeds, soya, maize, rice, livestock and poultry. He believes that Nigeria can achieve the status of the largest export powerhouse known for exporting processed agricultural products.

Ecobank is operating with the knowledge that Africa's agribusiness sector is projected to reach \$1 trillion by 2025 on account of the continent's rapidly growing middle class. Its collaboration with NIRSAL Plc is a demonstration of its belief that the risk management institution can help it take up a more prominent role in a re-emerging economic hub for country and continent.

Amongst other speakers and panellists was Kenton Dashiell, Deputy Director-General, Partnership for Delivery, International Institute of Tropical Agriculture (IITA). He focused on engaging the younger generation in agricultural technologies early, requesting that the use of digital technology in teaching agriculture in schools be incorporated in the learning curriculum. ➔



OSSAP-SDGs Mobilizes NIRSAL Plc for a Decade of Action



Mr. Aliyu Abdulhameed and Princess Adejoke Orelope-Adefulire (both middle) flanked by members of their senior technical teams during the visit of the OSSAP-SDGs to NIRSAL.

In September 2019, the United Nations General Assembly proclaimed the Decade of Action to deliver the Sustainable Development Goals (SDGs) by accelerating efforts targeted at delivering on the ambitious, universal and inclusive 2030 Agenda. The SDGs represent a globally shared vision to end poverty, rescue the planet and build a peaceful world. With 10 years to go, the UN says an ambitious global effort is underway to deliver the 2030 promise – by mobilizing more governments, civil society, businesses, and calling on all people to make the Global Goals their own. True to this claim, the momentum has reached NIRSAL Plc.

The Office of the Senior Special Assistant to the President on Sustainable Development Goals (OSSAP-SDGs) is responsible for mobilizing and coordinating Nigeria's strategies in pursuit of the Goals, drawing from the template of the global action being mobilized by the UN itself. Princess Adejoke Orelope-Adefulire, the Senior Special Assistant to the President, is at the centre of Nigeria's strategies. She visited NIRSAL Plc with a technical team in line with her office's objective of embedding the needed transitions into the policies, budgets, institutions and regulatory frameworks of governments, cities and local authorities.

Following elaborate presentations by NIRSAL and OSSAP-SDGs, a nexus in their respective objectives became evident. Indeed, shared objectives had been identified earlier through previous engagements, riding on the outcomes of the visit of the Deputy Secretary-General of the United Nations, Ms. Amina Mohammed, to NIRSAL Plc. Specialised teams from NIRSAL Plc and the OSSAP-SDGs facilitated the formal meeting which occurred at NIRSAL, where they received the nod of their respective principals

to concretize and advance the partnership in line with their mandates and the Decade of Action.

Sanctioning the alliance, Aliyu Abdulhameed, Managing Director/CEO of NIRSAL Plc, said that NIRSAL's work in identifying and structuring smallholder farmers into Agro Geo-Cooperatives®, conceiving and adopting climate-smart approaches to agricultural production, facilitating the establishment of embedded modular processing clusters and developing other value chain integration solutions, have a direct bearing on at least 10 of the 17 SDGs including Goals (1) No Poverty; (2)

Zero Hunger; (3) Good Health and Well-Being; (8) Decent Work and Economic Growth; (9) Industry, Innovation and Infrastructure; (10) Reduced Inequalities; (12) Responsible Consumption and Production; (13) Climate Action; (15) Life on Land; and (17) Partnerships for the Goals.

The UN reasons that the COVID-19 pandemic and its impact on all 17 SDGs has shown that what began as a health crisis has quickly become a human and socio-economic crisis. This applies to Nigeria where dire pre-COVID-19 economic statistics have now worsened on account of the pandemic. Pursuit of the SDGs, which came into effect on the first day of 2016, is a veritable pathway out of the devastation caused by COVID-19. Global, local and people action must be mobilized quicker for this 10-year journey that has been relatively shortened by the pandemic.

For Sub-Saharan Africa, with great wealth yet untapped from the soil, agriculture remains a potential bulwark against poverty and hunger. While paths hitherto taken by Western countries to economic prosperity can be copied, the reality of climate change calls for restraint and responsible ambitions. NIRSAL Plc has made bold strides in developing climate-smart agricultural models to bring transformation to Nigeria's vast agricultural landscape in a sustainable manner.

NIRSAL is positive that partnerships, like the emerging one with OSSAP-SDGs and an ecosystem of other partners, will enable the perfection and upscaling of optimised agriculture and agribusiness models for the building of resilient food systems and agriculture-led socio-economic growth in Nigeria towards the realisation of the Sustainable Development Goals. 📌

NIRSAL Plc, African Risk Capacity Rub Minds on the Potentials of an Institutional Partnership



CEOs of NIRSAL Plc and ARC, Mr Aliyu Abdulhameed and Mr. Lesley Ndlovu, respectively, (centre) flanked by their Management teams

NIRSAL Plc's Managing Director/CEO, Mr. Aliyu Abdulhameed, along with his Retail Finance and Insurance team, played host to a team from the African Risk Capacity (ARC) Limited led by its Chief Executive Officer, Mr. Lesley Ndlovu.

Based in South Africa, ARC is a Specialized Agency of the African Union established to help African governments improve their capacities to better plan, prepare, and respond to extreme weather events and natural disasters, especially as they affect agriculture.

ARC has a USD100Million capital base and seeks to scale up, impact and grow the institution's business in Nigeria. According to Ndlovu, "Nigeria is a key market for us (ARC). It is the largest economy in Africa. If you're not doing business in Nigeria, you're not really doing business!"

Through collaboration and innovative finance, ARC enables countries to strengthen their disaster risk management systems and access rapid and predictable financing when disaster strikes to protect the food security and livelihoods of their vulnerable populations.

Explaining NIRSAL Plc's mandate, its milestones and experiences, its people and country spread, its equipment and technological capabilities, and its innovative nous,

Managing Director/CEO, Mr. Aliyu Abdulhameed, assured Ndlovu that there is no better natural partner for ARC in Nigeria than NIRSAL Plc.

Both CEOs agree that Nigeria's insurance market is vibrant and competitive, presenting an opportunity for ARC to enter the market as providers of reinsurance. With their capacity and experience behind local insurance underwriters, the latter can create more innovative products and undertake more projects, thereby accelerating the growth of the agriculture sector.

With NIRSAL's speciality in project origination and deal structuring matching ARC's big capacity for insurance coverage, the far-sighted CEOs believe that a partnership that can boost agriculture and agribusiness in Africa is potentially about to be born. Of course, a more immediate need for such a partnership already lies across Nigeria's agricultural value chain.

Their excitement about the domestic and continental potentials of a formal partnership led to the setting up of a joint technical committee that is tasked with drafting the scope and terms of such a partnership. The committee is to take weeks rather than months to present the first draft, as an MoU Signing event between NIRSAL Plc and ARC Ltd already sits on the horizon. ➤

Climate Finance: An Opportunity to Achieve Economic Sustainability While Combating Climate Change



In recent years, Climate Change has remained a hot global topic. Heading into the future, the conversation will get even more intense as the devastating effects of a heating planet continue to unravel. Temperatures are rising, rainfall patterns are changing, weather conditions are hurtling to the extremes, green vegetation is disappearing, and natural water bodies are drying up.

Crop and livestock production systems are at risk from the dangers of climatic trends. Inversely, these are responsible for the emission of greenhouse gases – including nitrous oxide and methane – that cause climate change. Yet, humanity's relentless quest for food cannot be paused, only adapted to the demands of a precarious climate. The United Nations is pursuing this adaptation agenda, especially through the creation of Climate Finance.

Climate Finance is a financial support for mitigation and adaptation activities, including capacity-building and R&D, as well as broader efforts to enable nations transition towards low-carbon, climate-resilient development. Climate Finance sources are needed greatly in agriculture to push the level of development and go beyond practices that threaten the safety of the planet through climate-smart agribusiness practices.

Climate-Smart Agribusiness presents an integrated pathway to the pursuit of environmental sustainability, food security, and financial & economic inclusion, a tripod without which future societies may stand. Climate-smart agribusiness is a field of continuous innovation. These innovations

must speak to finance in a mutually beneficial way and must factor in efficiency and economies of scale.

As a signatory to the United Nations Framework Convention on Climate Change (UNFCCC), Nigeria has unconditionally pledged a 20% reduction on Business as Usual (BAU) emissions by 2030, and a 45% conditional commitment which can be achieved with financial assistance, technology transfer and capacity building. The responsibility of achieving 30% of the Nationally Determined Contributions (NDC) goals rests on the agriculture sector employing Climate-smart Approaches across the entire value chain.

NIRSAL Plc's role in the agriculture sector necessarily makes it aware of the impact of climate change on agriculture, agribusiness, risk management and the facilitation of additional finance and investment into the sector. In this regard, the risk management institution is constantly adopting various initiatives and actions geared towards having a coordinated response to the issue of Climate Change in Nigeria as far as agriculture is concerned.

One of such initiatives is the methodical creation of Climate Risk Profiles across six (6) industrial value chain commodities namely Wheat, Cassava, Maize, Soybean, Sesame and Cotton. These climate risk profiles provide overviews of climate risks on the specific commodities, including how climate change would affect their production, storage, and marketing patterns. These profiles are guiding ideation and interventions in these commodity value chains to achieve the best possible outcomes under the circumstances.

NIRSAL Plc is also working with local stakeholders such as the Federal Ministry of Environment (FMENV) and the United Nations Development Programme (UNDP) on "the assessment of investment and financial flows for Climate Action towards the implementation of the NDC". Additionally, NIRSAL Plc is exploring opportunities in working with the land degradation funds and the Green Climate Funds (GCF) to address the flow of critically needed climate finance that will help in financing Nigeria's NDC sectoral goals for Agriculture.

Critical to the success of NIRSAL's and Nigeria's climate-smart agribusiness initiatives is the availability and accessibility of matching climate finance. Programme designs must meet certain requirements to trigger inflows from the UNFCCC's vaults. For this, populous nations like Nigeria and Brazil are being looked upon for designs that would trigger global fund-raising for projects that would heal the world significantly or, at the very least, halt its degradation. 🐾

Agriculture: A Wild Card in PMB's Quest for Economic Stabilization & National Security



From the onset of his administration, President Buhari made a strategic decision to personally man the Ministry of Petroleum. As an economy that is largely based on Crude Oil, the ministry has a telling bearing on the daily lives of Nigerians. It contributes upwards of 80% of Nigeria's budgetary revenue, and up to 95% of her Forex! In contrast to the years when Nigerians were at the mercy of capricious petroleum products merchants, Buhari's touch has truly wrought magic. While his salve has brought soothing relief to the populace, it has dislocated unwholesome economic interests up the value chain; a source of commotion, as the displaced commensal organisms search for new opportunistic windows to latch onto.

This tells the tale of a sector that is busy with wrangling. The global petroleum value chain brings its own endless troubles, all enough to occupy any president's daily itinerary. Add to that a boiling security situation that has stretched the capacities of Nigeria's security architecture and you get a presidential schedule that is perhaps taller than most in Nigeria's recent history. Then came COVID-19 which threw the world a two-pronged challenge: save lives and salvage livelihoods. Highstreets emptied into homes, hospitals and isolation centres; production stopped, airlines were grounded, yet demand for food did not wane one bit. Leaders world over struggled to respond.

As the pandemic took its toll on countries in the Americas and Europe, many looked in the direction of Black Africa (and indeed Nigeria) and painted their dreariest pictures.

Writing in the 17th century, English poet, John Donne, makes drawing contrasts in this context a mindless venture with his "No Man is an Island: Any man's death diminishes me because I am involved in mankind...". Based on the humanity of his position, there is no smiling about high casualties there and low here. However, comparative numbers show that Nigeria fared remarkably well in its containment of COVID-19 than many countries. With this, President Buhari, a man whose trajectory begins from Daura, coursing through the regiments of the Nigerian Army, and arriving at the nation's highest office, passed a significant test of leadership.

Beyond the health and employment questions it posed, COVID-19 made Nigeria's food security pursuit ever more urgent. Having sent Nigerians home as part of its containment strategy, the federal government emptied food reserves to keep them there. Politics tends to twist everything in favour of the narrator, but the authenticity of this humane gesture cannot be twisted. Moreso, it shored up Nigerians' 'faith in their country by revealing that such reserves exist and are functional. But now foreign exchange reserves dwindle precariously and, having emptied food reserves to sustain a mammoth population, socio-economic vulnerabilities became evident. Fortunately, the groundwork for PMB's relentless food exploration had already been laid. Hence, the capacity to restock reserves and refill market stalls exists.

Without prejudice to what Crude Oil gives to Nigeria, President Buhari is known to be wary of leaving the Nigerian economy, at the end of his time, still resting on one footing. Hence, one of his strategic meetings upon assuming office in May 2015 was with the Management of the Central Bank of Nigeria (CBN) to weigh, against the stark prospect of plummeting oil prices, a CBN-driven backward integration mechanism that would ease pressure on scarce foreign exchange. Machinery and manufactured goods would generally leap over deliberately installed short-term import hurdles, but not food – whose import bill stood at \$22 billion at the time. By November 2015, the President launched the CBN's Anchor Borrowers' Programme (ABP) in Kebbi State. It was one of the most audacious revolutionary events in Nigeria's agriculture sector ever. Amongst 20 other commodities, rice – a staple food in Nigeria – has witnessed the tallest milestones.

Shehu Muazu, the current National Coordinator of Special Projects for the Rice Farmers Association of Nigeria (RIFAN), recently recalled his time at the Nigerian Maritime Administration and Safety Agency (NIMASA) as the

Chief Statistician. While manning the agency's import/export statistics department, the rice import trend seized his attention. Imports fell from near 4 million to less than 100,000 metric tons, prompting latent rice farmers like himself to retrace their steps back to the farms. The revolution was catching on, and he wanted to be a part of it. Not many semi-formal associations are up to a million-man strong; but, RIFAN, according to Muazu, has over 12 million active members as of today. This rice journey sits largely within the ABP which started when ₦2.5 billion was disbursed to Kebbi rice farmers in 2015, and has now grown to ₦631 billion to 3.2 million farmers producing 21 agricultural commodities as of May 2021.

President Buhari handed Godwin Emefiele another term as CBN Governor, showing faith in, amongst other things, his work in leading the revolution in the agriculture sector from the development financing angle. For Emefiele and the CBN, marshalling financial resources directly into the field for immediate impact was one side of the coin; on the other side lie structures that have been harnessed to vibrate, stabilize, and sustain a boisterous agro-economy in Nigeria. Some of them include the Agri-business/Small and Medium Enterprises Investment Scheme (AGSMEIS) and the National Collateral Registry (NCR). Another is the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL Plc), an agriculture sector development tool that was unleashed by the CBN within the path of the president's reverberating charge.

Aliyu Abdulhameed, Managing Director/CEO, in an interview, clarifies NIRSAL Plc's place in the agricultural policy scheme of things. His words: "The development finance activities of the Central Bank of Nigeria, particularly agriculture, sits very well within the policy matrix and direction of the federal government. NIRSAL is aligned. The government provides the policy direction, the Central Bank sits in that policy space and develops tools and products that deliver to the objectives of the policy. And we are one of those tools that deliver on behalf of the Central Bank and therefore for the federal government of Nigeria." NIRSAL has contributed innovative value chain fixing Tools, Techniques and Methodologies (TTMs) for investment facilitation and de-risking. At the heart of its activity spectrum to date lie these numbers: ₦165 billion facilitated in totality with ₦125 billion being commercial finance facilitated for 755 agribusiness projects across the 4 segments of the agricultural value chain.

NIRSAL remains a crucial element of President Buhari's agricultural revolution. How? Come what may, the president is determined to continue to pay salaries and pensions regularly. This was echoed by the Minister of Finance, Budget and National Planning, Zainab Shamsuna Ahmed. In addition, critical infrastructure like rail, airports, roads, and power must continuously be upgraded – even if the federal government has to borrow to do so. If these investments are not made now, the president argues, how can Nigeria attract foreign direct investments in

years to come? Financing security cannot wait, either! So, as these contend for the government's scarce resources, agriculture, a gaping void for endless investment, had to be structured to attract the equally limitless private sector finance. This is where NIRSAL comes in, enabled by the CBN, to re-market the sector to commercial banks and other lenders in the economy.

Elsewhere, while giving accounts of their ministries' performance 2 years into President Buhari's second term, Honourable Ministers Babatunde Raji Fashola – Works and Housing, Suleiman Adamu – Water Resources, Saleh Mamman – Power, and Rotimi Amaechi – Transportation, spoke about completed projects which, directly and indirectly, impact Nigeria's agriculture sector. One survey by the Federal Ministry of Works reveals that a re-constructed stretch of road reduced the transportation cost of farm produce from ₦500 to ₦300 per bag, and produce transported grew from 7,000 to 43,000 bags per season. The Ministry of Water Resources has completed 7 of the irrigation projects inherited by this regime. It targets a federal irrigation scheme coverage of 500,000 hectares of land, up from 170,000 hectares; and is enabling the entry of state governments, DFIs and the private sector who are expected to push the target to 1 million hectares.

There is no gainsaying that power generation, which this administration has increased from 8,000MW to 13,000MW, is impactful to agriculture. Neither is there any denying the value that Nigeria's growing rail interconnectivity brings to the economy. The government's frontal attack of infrastructure development is anchored on external borrowing – a plan carefully worked out to diminish in tandem with the administration. Even though the incursion of COVID-19 disrupted earnings and caused borrowing to increase, a reversal of this trend still sits within the administration's horizon. Nigerians can deduce, from elements of the Federal Ministry of Information and Culture's Midterm Report, that improved infrastructure is already leading to higher volumes of economic activities and revenue generation across board.

Even though many at home and around the world keenly watch the federal government grappling with strong developmental headwinds, Nigeria is not necessarily under the spotlight. The entire world is reeling from the devastation brought on by a vicious pandemic – Nigeria no less. For much of Africa, the problem is compounded by the perennial burden of poverty and illiteracy. However, Nigeria is emerging strongly from tough times. The president is focused, and co-managers of the economy are dexterous; therefore, the delicate balancing act of reducing borrowing while facilitating revenue increase in the short to medium term will ultimately be pulled off. Agriculture figures prominently in this methodical pursuit of economic growth and development. And, with national economic prosperity will come multifaceted wins in the fight against insurgency and crime. Indeed, economic prosperity is the prime weapon against all forms of insecurity. 📌

NIRSAL SBSS: Spurring Organic Economic Growth Through Training and Mentorship in the Agric Sector

Only a part of the story of NIRSAL Plc's impact in the Agricultural Finance Value chain is told by ₦128 billion facilitated for agriculture and agribusiness since inception. In the first place, there are boulders limiting access to finance for actors in the value chain. Creditworthiness, capacity to run a business efficiently, to grow and so on, all matter in the access to credit debate. Though potentials are abundant and markets vast, the entities seeking credit with which to convert potentials into sellable products must demonstrate the capacity to not only do so, but also to do it profitably.

To this end, NIRSAL Plc, through the Technical Assistance pillar in its mandate, is continuously working with partners to provide Strategic Business Support Services (SBSS), develop skills, capacities and competencies of stakeholders along the value chains of selected agricultural commodities. This was the case in locations across the country in H1 2021 as NIRSAL administered extensive technical training sessions to actors in the Fresh Fruits & Vegetables (FFVs), Ginger, Cassava, Aquaculture, Rice, Integrated Livestock, Maize, Oil Palm, and Beans value chains amongst others.

NIRSAL Plc's commodity focus in states/regions is informed by the Agricultural Commodity Ecological Area (ACEA) map which it developed and obtained validation for from relevant research institutes. It believes that ACEA-compliant agricultural investments hold the highest chances for success. Accordingly, the Federal Capital Territory (FCT), owing chiefly to its urban consumer market, but also its savannah climate, is designated for Fresh Fruits & Vegetables amongst other commodities. Given obvious logistical challenges in haulage and preservation, FFVs are best grown as close to the markets as possible.

For the training delivery consultants, the assignment commenced with a review of the FCT's comparative advantage vis-à-vis the 15+ commodities under NIRSAL's focus – 5 Industrial Commodities: Maize, Soya, Wheat, Cassava, and Cotton; 4 Export Commodities: Value-added Hibiscus, Sesame, Ginger, and Shea; 3 Consumer Commodities: Rice, Potato, and Beans; 2 Controlled Environment Commodities: FFVs and Aquaculture; and Integrated Livestock: Beef, Dairy Hides & Skin, plus, Sugarcane and Cashew. With FFVs standing out for the FCT, the team searched and found value chain stakeholders in Kuje, Nyanya, Mararaba, Apo, Lugbe, the Municipal, Gwagwalada, Dei-dei, and Abaji.

Following the identification of stakeholders and a Gap Assessment of the FFVs value chain in the FCT, intervention approaches were designed and implemented -the major approach being a four-week mentorship program for 144 persons using data gathered and facts analysed. It included in-class and field sessions. A Capacity Gap Assessment Report (CGAR) of the stakeholders in the segments was duly submitted to NIRSAL. As the

intense engagement with FFVs stakeholders in the FCT unfolded, the same scenario was being repeated across the country.

Rivers State, with the Garden City as its capital, has comparative advantage in FFVs too, and in Aquaculture and Cassava. Rice, a commodity produced in every Nigerian state, was also under focus in the Rivers State exercise. Stakeholders were encountered in Rumuola, Wenpey, Aluu, Enekah, Elekahia, Eleme, Mgbuoba, Elemenwo, Igwuruta, Elioza, and Rumuodoma.

Typical of States with large urban areas and high volumes of rainfall, another FFVs state is Lagos. Stakeholders were met in the Kosofe – Ikorodu, Iyana – Iba, and the Lekki – Ajah axis. In Ekiti State, across Ado-Ekiti, Orin Ekiti, Ijero, and Ogbese Maize, Fish, Rice, and Oil Palm stakeholders, respectively, were met.

The nationwide capacity development exercise continued in Adamawa State for Integrated Livestock value chain stakeholders, in Kaduna State for Ginger value chain stakeholders, and in Taraba State for Beans stakeholders.

While the goals of the capacity development exercise are firmly in sight, it was beset with some challenges, including a general apathy towards learning or submitting to mentorship amongst agricultural value chain stakeholders. Whereas NIRSAL is intent on helping Nigeria transition from farming as a culture to agribusiness, many of the stakeholders encountered claim to have inherited agriculture from their forebears, and so are well versed in the practice and have no need for lectures or mentorship. For NIRSAL, access to commercial finance is a barometer for measuring the veracity of that claim. The claim is untrue – especially in the context of the modern economy.

Smallholder farmers' insatiable appetite for grants and cheap credit suggest low technical capacity for transforming Nigeria's vast productive potentials into raw materials for our yawning industries and food for 200 million mouths. Tragically, some of the stakeholders encountered want nothing but finance from NIRSAL, or at best expect disbursements to follow every exposure to training and mentorship. In some places, security challenges threaten production activities as local criminals jinx the economic sojourns of their states into the future.

For NIRSAL Plc, continuous capacity upgrade across Nigeria's agricultural landscape remains a necessity. Sustainable access to commercial finance is in jeopardy without it. The risk management company employs the term social engineering to denote its efforts at reaching the last inch of the last mile and changing mindsets that are inimical to modern agribusiness. The emergence of strong rural economies and diversification of the national economy depends on the response NIRSAL continues to receive from agricultural value chain stakeholders as it traverses the nation. 📌

STRATEGIC BUSINESS SUPPORT SERVICES PROJECT ACROSS STATES



RICE COMMODITY, EBONYI STATE



CASSAVA COMMODITY, DELTA STATE



MAIZE COMMODITY, EKITI STATE



WHEAT COMMODITY, KATSINA STATE



GINGER COMMODITY, KADUNA STATE



FRESH FRUIT AND VEGETABLE COMMODITY, LAGOS STATE



CASSAVA COMMODITY, RIVERS STATE



BEANS COMMODITY, TARABA STATE

NIRSAL Plc Activates Remote Farm Monitoring Technology in Girei



To minimize agricultural risks for the secure flow of commercial finance into the sector, NIRSAL Plc uses numerous de-risking tools and mechanisms. Some include a nationwide network of Project Monitoring, Reporting and Remediation Offices (PMRO) and the Agricultural Commodity Ecological Areas (ACEAs) – a mechanism that dictates where specific primary production investments can be sited for the best possible outcomes.

Another important mechanism for de-risking projects is the use of technology to perform real-time, round-the-clock field surveillance and monitoring throughout project life cycles. From the use of Geographic Information Systems, Satellite & Drone Mapping, Multi-Spectral Remote Sensing & Radio-frequency identification, NIRSAL Plc relies heavily on technology and innovation from pre-production all the way to harvest, storage & transportation.

In Gereng, Jatto and Koh Villages of Girei Local Government Area in Adamawa State, NIRSAL recently conducted a drone mission to survey an initial 3,100 of 20,000 hectares of farmland earmarked for rice and soybean production. The project sits under NIRSAL's Inclusive Integrated Private Agriculture/Agribusiness Investment Development (iPAID) Model. iPAID is a model designed to facilitate private sector investments in critical cross-cutting agricultural infrastructure services. It will maximize the latent primary production potentials of private holders of vast arable lands through the NIRSAL Agro Geo-Cooperative® (AGC) model.

The creation of AGCs, that is, single large parcels of farmlands for commercial production, proceeds from the mapping, measurement and verification of individual landholdings. These activities, which are made easier with

Unmanned Aerial Vehicles (UAVs), lead to the determination of each AGC member's land/equity contribution, after which all are merged into one contiguous bloc to leverage economies of scale in accessing finance, procuring inputs, producing, and marketing produce.

With UAVs, the task of mapping and measuring vast land sizes are made easier and faster. It was the case in Girei where vital field data and baseline images were obtained in preparation for the large rice and soybean production project. The farm's precise location has also been obtained which will make remote monitoring throughout the project's life cycle possible and easy.

UAVs will remain a constant feature throughout the project's duration, it will aid pre-planting data gathering, growth monitoring, and the confirmations necessary before harvesting commences. In all, it will enhance efforts geared towards the prompt identification and resolution of risk events, leading to overall project success and preserved investor confidence. 📌



AGRIBUSINESS FINANCE MARKETS

NIRSAL exists to create a handshake between the Agricultural Value Chain and the Financial Sector in order to boost productivity, food security and the profitability of agribusiness in Nigeria.

At the heart of our strategy is the Credit Risk Guarantee (CRG) which enhances the flow of finance and investment into fixed Agricultural Value Chains by serving as a buffer that encourages investors to fund verified bankable projects.

Working with financial institutions, farmer groups, mechanization service providers, logistics providers and other actors in the Value Chain, NIRSAL is changing Nigeria's agricultural landscape and delivering food security, financial inclusion, wealth creation and economic growth.



NIRSAL



**THE NIGERIA INCENTIVE-BASED
RISK SHARING SYSTEM FOR AGRICULTURAL LENDING**

De-Risking Agriculture ■ Facilitating Agribusiness



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