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## From our Managing Director/CEO

**Mr. Aliyu Abdulhameed**

Hello!

It has become just about inevitable that NIRSAL should have a newsletter to highlight its activities and keep stakeholders informed. In its three years of existence post-CBN, this organisation has recorded some remarkable achievements. Some of them are presented in this first edition of the NIRSAL newsletter. If it is to remain a newsletter, it couldn't possibly exhaust NIRSAL's short but rich history. With this edition, we have opted to emphasise on the bridge NIRSAL is building between commercial banks and the agricultural sector; a bridge that holds investment attraction for the former and supports NIRSAL's agricultural financing paradigm for the latter.

At this juncture, it is imperative to re-introduce NIRSAL: The Nigeria Incentive-Based Risk Sharing System for Agricultural Lending is a US\$500Million Non-Bank Financial Institution and a wholly-owned corporation of the Central Bank of Nigeria (CBN) designed to redefine, dimension, measure, re-price and share agribusiness-related credit risk.

The company was created to stimulate the flow of affordable finance and investments into the agricultural sector by de-risking the agribusiness finance value chain, fixing agricultural value chains, building long-term capacity, and institutionalizing incentives for agricultural lending through its five (5) strategic pillars namely: Risk Sharing, Insurance, Technical Assistance, Incentives and Rating. These strategic pillars are geared towards increasing bank lending to the agricultural sector by over 6 percent in the short to medium term, hence, NIRSAL's bridge-building between the finance and agricultural sectors.

By approaching agriculture in segments, NIRSAL can engineer the right business interventions for each of the four segments of the agricultural value chain, which are

the Pre-Upstream, Upstream, Midstream and Downstream segments. The Upstream segment is the riskiest and most crucial of all four segments, being that it activates other segments by pulling value from the Pre-Upstream segment and pushing produce to the Midstream and Downstream segments. As a result of the importance of the Upstream, a substantial part of NIRSAL's work is about creating synergies to boost primary production in the Upstream segment. NIRSAL's relentless wooing of state governments – the primary custodians of all agricultural land – is a consequence of that.

This first edition of the NIRSAL Newsletter attempts to reveal this organisation's tentacles viz the creation of financing frameworks, identification of Agricultural Commodity Ecological Areas (ACEAs) and the establishment of NIRSAL AgroGeoCoops®, the creation and deployment of innovative insurance products, and the setting up and use of a comprehensive suite of project monitoring personnel and devices. It is a lot, but subsequent editions will be more thematic and targeted.

Finally, this first edition fittingly pays tribute to the CBN's monumental support for agriculture in Nigeria through NIRSAL. The smallholder farmers who make up a substantial part of Nigeria's population have been identified by the apex bank as a veritable pathway to speedy economic development. NIRSAL is a proud driver of the CBN's mission of expanding financial inclusion to rural areas and creating millionaires amongst Nigeria's vulnerable population through agriculture.

I invite you to enjoy this edition of the NIRSAL Newsletter and to expect it every quarter henceforth.

Thank you.





**Mr. Godwin Emefiele**  
Governor of the Central Bank of Nigeria

## Editorial

### *CBN's LDR Policy: A major boost for agric finance in Nigeria*

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The recent decision by the Central Bank of Nigeria (CBN) to further increase the Loan to Deposit Ratio (LDR) of Deposit Money Banks (DMBs) from 60 percent to 65 percent by December 2019 is an important and impactful development at many levels. The move is likely to have a profound and positive impact on the agricultural sector and the economy at large. The objective is simple and straightforward: to boost lending to the real sector of the economy.

No doubt, the CBN's directive will build on current progress and sustain the momentum to provide more credit to agriculture and other components of the real sector such as manufacturing, services, commerce and mining.

The need for the new LDR policy is underscored by the reality that, despite its strategic importance and status as the number one employer of labour, the real sector as a whole and agriculture, in particular, continue to lag in financing. This is evident in the volume of bank loans that went to different sectors in the second quarter of 2019: while oil and gas received 29.0 percent of private sector credit from banks, manufacturing received 15.3 percent while agriculture which employs about 70 percent of Nigeria's workforce and is responsible for contributing 25.88 percent to the GDP as at the third quarter of 2019, received only 4.2 percent.

To state the obvious, this is unacceptable. Agriculture is the game-changer that could end Nigeria's over-dependence on crude oil, significantly reduce unemployment and provide a foundation for the Nigerian economy of the future.

It is for these reasons that under the development-focused Godwin Emefiele, a CBN governor who is very passionate

about transforming Nigeria's agriculture, the institution is deepening its interventions in the sector. It is safe to say that no Central Bank Governor in Nigeria's history has prioritised and supported agriculture and agribusiness as much as Emefiele. Typically, he has reinforced this focus in the latest five-year plan of the apex bank which he set out in June 2019. A key part of this focus is to ensure that the sector receives significantly more support from the financial sector, hence the directive to banks to raise LDR and boost credit, mainly to farmers and Small and Medium Enterprises (SMEs) and consumers.

The consistency of the CBN's focus on agriculture and the other components of the real sector is remarkable. It had initially set the minimum LDR to 60 percent in July 2019, and at the expiration of the deadline in September 2019, the institution issued the current directive to banks to increase the LDR to 65 percent by December 31, 2019. This means that banks are to lend a minimum of 65 percent of their customers' deposits to SMEs, of which 20.9 percent are agribusinesses.

What happens to banks that don't comply with this directive? Those that don't meet the deadline have their cash-reserve requirements increased, as the new policy states that they have to keep 50 percent of the 'un-lent' portions at the CBN where it will not earn much in interest and cannot be used to purchase Federal Government securities like bonds and treasury bills. This was the case with 12 banks that didn't meet the September 30, 2019, deadline and were debited a total of N499.17Billion.

This is a decisive move to check the reluctance of banks

to lend to agriculture and other sectors. Prior to 2019, there was no rule on minimum LDRs, and many Nigerian lenders had ratios of about 40 percent. That compares with 78 percent across Africa, according to data compiled by Bloomberg. LDR is above 90 percent in South Africa and about 76 percent in Kenya.

As a CBN owned non-bank financial institution designed to appropriately define, price and share agribusiness-related credit risk, NIRSAL is delighted by the new LDR policy.

The importance of this development is that NIRSAL's mission of acting as a catalyst for increasing the flow of finance and investment to agriculture has received a significant boost. Within a short period of its existence, NIRSAL has facilitated over N102Billion as at January 2020 into the sector from deposit money banks, the capital market, other categories of financial institutions and vendor financiers. The recent increase in LDR of Nigerian banks will certainly boost NIRSAL's efforts to get much-needed finance into critical value chains and lead to improved productivity and food security.

Aliyu Abdulhameed, NIRSAL's Managing Director/CEO captures the implications of the LDR increase in a few weighty words:

"As Deposit Money Banks increase their lending to agribusiness, the value that NIRSAL provides by de-risking these transactions cannot be overstated. Our role is to ensure quality in these deals even as we are now dealing with a higher volume of loans, thanks to the new CBN directive on LDR".

To take full advantage of the new LDR guideline, NIRSAL will proceed full steam with its core mission: encouraging providers of finance and investment to lend and invest in agribusinesses, leveraging on its Credit Risk Guarantee and other Risk Management Products, Tools, Techniques, Methodologies and Strategic Partnerships.

The LDR directive will complement other key initiatives by the CBN. One of these is the Real Sector Support Facility (RSSF), a special scheme introduced by CBN which enables banks to provide single-digit interest rate loans to the real sector. The public commitment by the Bankers' Committee which has expressed support for the LDR increase and other efforts of the CBN to improve credit flow to key sectors of the economy is a reassuring sign of industry-wide support. This support was articulated by, among others, the Managing Director/Chief Executive Officer of Zenith Bank Plc, Ebenezer Onyeagwu who stated emphatically, "On the Loan to Deposit Ratio, the CBN can rest assured it has the commitment of the banks to support the initiative."

The LDR initiative is already yielding positive results. Since the initial increase, there has been notable growth in the industry gross credit which increased by N829.40Billion or 5.33 percent from N15.56Billion at the end of May 2019, to N16.39Billion as at September 26, 2019.

As more of this funding makes its way to agriculture and other target sectors, the Federal Government is, in essence, co-opting banks into its developmental priorities.

According to Emefiele, "The ultimate objective is to make our states economically viable through enhanced investments by the private sector to create more economic opportunities at the sub-national level, engage our teeming youth in meaningful enterprises, improve the internally generated revenue base for states to meet the developmental expectations of their citizens."

That is the rationale behind the new LDR policy - a significant development that complements everything the Federal Government has done and is doing to grow the agricultural sector. And like seeds that have been properly planted, the positive effects of this policy will over time spring up for all to see.







Managing Director/CEO, Ecobank, Patrick Akinwuntan and Managing Director/CEO, NIRSAL Plc, Aliyu Abdulhameed, signing the MoU.

## Ecobank's N70 Billion commitment to NIRSAL-supported Agribusiness initiatives

NIRSAL signed a Memorandum of Understanding (MoU) with Ecobank on a N70Billion portfolio commitment from the bank to Agribusiness projects initiated and de-risked by NIRSAL.

The facility will be drawn down in series, with the MoU effectively kicking off an initial N15Billion agribusiness financing provision by Ecobank. The commitment by Ecobank was the latest result of NIRSAL's efforts aimed at improving investment from the financial sector in agribusiness through the provision of incentives such as risk-sharing, technical assistance and innovative insurance to banks.

Announcing the partnership in Lagos, Aliyu Abdulhameed, Managing Director/CEO, NIRSAL Plc, said that Ecobank's onboarding demonstrated the growing acceptance of the Central Bank of Nigeria's proposition of NIRSAL as an innovative mechanism targeted at de-risking lending to the agricultural sector and providing a safe climate for highly profitable private sector investments.

The collaboration between NIRSAL and Ecobank will support lending to actors in the agricultural value chain in conformity with Ecobank's risk acceptance criteria and credit process. Ecobank's commitment to NIRSAL's agribusiness initiatives will facilitate joint selection and development of projects that will meet the financing needs of actors in the agricultural

sector based on NIRSAL's priority commodity value chains; Maize, Soybean, Wheat, Cassava and Cotton; Hibiscus, Sesame, Ginger and Shea; Rice, Sweet potato and Beans; Fresh Fruits and Vegetables (FFV) and Aquaculture; and Livestock.

Under this agreement, and in line with its Mapping to Markets (M2M) strategy, NIRSAL will identify and refer structured projects to Ecobank to support the Bank's deal origination and financing operations in agribusiness.

Ecobank will, in turn, finance the projects leveraging NIRSAL's Credit Risk Guarantee (CRG) which is a further comfort for lenders to agriculture and agribusiness.

Ecobank Nigeria Limited's Managing Director, Mr. Patrick Akinwuntan, said the bank is actively promoting agriculture as a strategic initiative to support national development. "Ecobank is committed to working with NIRSAL to open up the vast opportunities in agriculture and to ensure citizens benefit ultimately," Mr. Akinwuntan stated.

NIRSAL's M2M strategy, to which commercial banks are opening up their balance sheets, has already been deployed for the production of Maize and Soybeans in NIRSAL AgroGeoCoops® across Benue, Ekiti and Niger States.



## The NIRSAL/CRO Forum to improve On-Balance Sheet lending to agriculture



*Folakemi Fatogbe, Director, Risk Management, Central Bank of Nigeria and Chairperson, Risk Management Association of Nigeria (centre); Aliyu Abdulhameed, Managing Director/CEO, NIRSAL; flanked by Chief Risk Officers of commercial banks and some participants at the Forum.*

To build further on the progress it has made in facilitating financing to the agricultural sector, NIRSAL is engaging banks and other key stakeholders to encourage improvement in another vital index: on-balance sheet lending to the agricultural sector by banks.

In this regard, a key outcome of the NIRSAL/CROs' Forum, a platform that brought together Chief Risk Officers (CROs) of banks, the Central Bank of Nigeria (CBN), and NIRSAL was a commitment by participating banks to source more of their investment in agriculture from their own funds.

The imperative of improving agricultural financing by banks is underscored by the fact that overall bank lending to the sector has hovered between 3 and 4 percent over the past eight years.

Aliyu Abdulhameed, NIRSAL's Managing Director/CEO, stated that agriculture deserves more support because of its capacity to generate jobs and substantial contribution to the country's GDP, hence the need for an increased and sustained flow of financing to the sector.

The forum hosted by NIRSAL and CBN focused on efforts to improve understanding and overcoming the obstacles which prevent commercial banks from lending to agribusinesses

and Micro, Small and Medium Enterprises (MSMEs) from their balance sheets.

Participants at the forum agreed on the need to enhance efforts towards changing the perception that agriculture is a high-risk sector, and for closer collaboration among stakeholders, especially towards managing risks associated with agricultural financing.

Also highlighted were, better communication and regular exchange of information among stakeholders to enhance synergy and increase participation in agribusiness financing. The apex bank was represented by Mrs. Aisha Ahmad, Deputy Governor, Financial System Stability, CBN and Ms. Folakemi Fatogbe who is the Chairperson, Risk Management Association of Nigeria and Director, Risk Management, CBN. Also in attendance were Mr. Emeka Emuwa, Managing Director/CEO, Union Bank, Mr. Patrick Akinwuntan, Managing Director/CEO, Ecobank and other top officials from the banking sector.

The banks represented at the forum were Guaranty Trust Bank, Keystone Bank, FCMB, Ecobank, First Bank, Unity Bank, Diamond Bank, Access Bank, Heritage Bank, and Sterling Bank. In addition to banks, young entrepreneurs were also present at the event.

## NIRSAL deploys end-to-end agriculture strategy for primary production



*NIRSAL's Executive Management pose with participants at the Roundtable*

NIRSAL hosted value chain actors and enablers to a forum aimed at exploring avenues for the successful deployment of its Mapping to Markets (M2M) strategy. M2M is an innovative strategy focused on linking and aligning the upstream segment of the agricultural value chain with all the other value chain segments.

This engagement provided stakeholders along the segments of the value chain with the opportunity to jointly validate business models used by value chain players and financial institutions. Participants were able to map relevant inputs to the primary production of commodities and produce to offtakers, at the same time develop templates for satisfactory trade dynamics across value chains, establish partnerships, identify policy requirements, and determine training requirements for value chain actors.

In developing the M2M strategy, NIRSAL considered the challenges of obsolete farming techniques, low productivity, high postharvest losses, poor pricing, among other factors, that continue to negatively impact the primary production (upstream) segment of the agricultural sector. These factors have consequently created an apathy for agriculture particularly amongst the youth.

The M2M strategy will provide a systematic approach to achieving agribusiness-led socio-economic development by concentrating efforts and resources on the structuring, development and transformation of the upstream segment of the agricultural value chain. This will create positive market-driven 'pull and push' effects on other segments of the value chain and agribusiness support service sectors.

With the optimal buy-in of stakeholders, the M2M strategy will also provide a unique, inclusive and sustainable solution to the challenges facing the upstream segment and, by extension, the entire agricultural value chain. NIRSAL is targeting 5,000 farmers planting maize and soybean during the pilot phase of the M2M implementation period.

Aliyu Abdulhameed, NIRSAL's Managing Director/CEO, informed stakeholders that the upstream segment of the agricultural value chain has the highest level of risks, the weakest structures, the lowest access to finance, the crudest technologies and the poorest standardization in Nigeria and Africa, hence the need for innovation in the space.

Abdulhameed concluded by enjoining participants to take ownership of the M2M and make vibrant contributions towards the successful deployment of the strategy.









## Unlocking bank finance for Agribusiness - NIRSAL woos Deposit Money Banks

To ensure that financial institutions participate in and contribute to the growth of the agricultural sector in the country, NIRSAL has been engaging Management Credit Committees of commercial banks and apprising them on promising investment-friendly developments in Nigeria's emerging agricultural/agribusiness sector.

For many years, the agricultural sector has received less than 3 percent of total bank lending, leaving it largely underdeveloped and its vast potentials for economic growth untapped. To address this, the Central Bank of Nigeria (CBN) created NIRSAL to fix the broken agricultural commodity value chains and de-risk the sector to enable increased inflow of finance and investments.

NIRSAL made extensive presentations on its Agribusiness models, financing frameworks, Tools, Techniques, Methodologies and Partnerships in meetings with several banks in the country. NIRSAL pitched its Agricultural Finance Risk Management innovations and Agribusiness models that will stimulate the desire from banking institutions to finance/invest in secure, risk-controlled, and structured environments.

Aliyu Abdulhameed, NIRSAL's Managing Director/CEO emphasized that the focus on the Upstream segment of the agricultural value chain (primary production) was because while it was the source of all agricultural commodity raw materials which other segments are dependent on, it is characterised by high risks and banks tend to avoid investing in it. Mr. Abdulhameed also pointed out NIRSAL's acquisition and planned utilization of geospatial technologies for identification of ecologically endowed areas for specific commodities, and for the aggregation of fragmented

farmlands.

NIRSAL's engagements with banks have elaborated the corporation's risk management tools and general approach to Agricultural Finance with a particular emphasis on its Credit Risk Guarantee (CRG) cover, the Interest Draw Back (IDB) support and its innovative index-based agricultural insurance products.

Most significant is the Mapping to Markets (M2M) strategy under which NIRSAL is "pre-selling" smallholder farming NIRSAL AgroGeoCoops® to financiers. These NIRSAL AgroGeoCoops® are developed and mapped in sync with the natural ecologies of specific commodities. The AgroGeoCoops® will have ready farmers who, after being technically and financially enabled, would be advised on what to produce and how much to produce to service the offtake market coordinated by NIRSAL in accordance with pre-agreed quantity, quality and price parameters.

These engagements have contributed to the realization of over N14.5Billion in additional financing from these institutions and a further N48Billion are at various stages of approval. Banks are slowly changing their perception about the risks involved in investing in the agricultural sector and the vast business opportunities inherent in it.

NIRSAL's efforts continue to secure more commitments from Nigerian banks in sponsoring its agribusiness initiatives and developing joint frameworks aimed at facilitating a greater flow of finance to structured, agriculture-related investment opportunities in Nigeria.



# 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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## NIRSAL Bank engagements



(L-R) Segun Agbaje, Guaranty Trust Bank (GTB) Managing Director pictured with NIRSAL Managing Director/CEO, Aliyu Abdulhameed during Abdulhameed's visit to GTB.



(L-R) NIRSAL Managing Director/CEO, Aliyu Abdulhameed, Abubakar Suleiman, Managing Director/CEO Sterling Bank and Sterling Bank Executive Director, Retail & Consumer Banking, Grama Narasimhan



Management of NIRSAL and Heritage Bank in a group photo during NIRSAL's visit to Heritage Bank.



Group Managing Director/CEO United Bank for Africa (UBA) Kennedy Uzoka (second right) responding to a presentation made by NIRSAL's Managing/CEO Aliyu Abdulhameed (R) during Abdulhameed's visit to the Bank.



## NIRSAL Bank engagements



(L-R) NIRSAL Managing Director/CEO, Aliyu Abdulhameed in a handshake with Oluwatomi Somefun, Managing Director/CEO Unity Bank during NIRSAL's visit to Unity Bank.



NIRSAL's Managing Director/CEO, Aliyu Abdulhameed, (right) in a handshake with his First Bank of Nigeria counterpart, Mr. Adesola Kazeem Adeduntan, after a meeting between both institutions in Lagos.



(L-R) NIRSAL Managing Director/CEO, Aliyu Abdulhameed pictured with Standard Chartered Bank Nigeria Managing Director/CEO, Bola Adesola



(L-R) Union Bank's Managing Director/CEO Emeka Emuwa in a handshake with NIRSAL Managing Director/CEO, Aliyu Abdulhameed during the latter's visit to Unity Bank

## NIRSAL Bank engagements



NIRSAL's Managing Director/CEO, Aliyu Abdulhameed, (right) in a handshake with the Chief Executive Officer of Citi Bank, Mr. Akin Dawodu, after a meeting between both institutions at the Bank's premises in Lagos.



NIRSAL's Managing Director/CEO, Aliyu Abdulhameed, (right) in a handshake with his Ecobank counterpart, Mr. Patrick Akinwuntan, after a meeting between both institutions in the latter's office in Lagos.



NIRSAL's Managing Director/CEO, Aliyu Abdulhameed, (left) in a handshake with the Managing Director of FCMB, Mr. Adamu Nuru, after a meeting between both institutions at the Bank's premises in Lagos.



NIRSAL's Managing Director/CEO, Aliyu Abdulhameed, (left) in a handshake with the Chief Executive Officer of Zenith Bank, Mr. Ebenezer Onyeagwu, after a meeting between both institutions at Zenith Bank, Lagos.



## NIRSAL Bank engagements



(L-R) Babajide Arowosafe, Executive Director, Technical, NIRSAL Plc; Hassan Usman, Managing Director/CEO, Jaiz Bank Plc; Aliyu Abdulhameed, Managing Director/CEO, NIRSAL Plc; and Mahe Mahmud Abubakar, Deputy Managing Director, Jaiz Bank Plc, after a meeting between both institutions at the Bank's premises in Abuja.



NIRSAL's Managing Director/CEO, Aliyu Abdulhameed, (right) in a handshake with the Managing Director of Rand Merchant Bank, Mr. Michael Larbie, after a meeting between both institutions at the Bank's premises in Lagos.



NIRSAL's Managing Director/CEO, Aliyu Abdulhameed, (left) at a meeting with NOVA Merchant Bank's Ag. Managing Director/CEO, Mr. Anya Duroha in the Bank's office in Lagos.



NIRSAL's Managing Director/CEO, Aliyu Abdulhameed (left), in a handshake with his Stanbic IBTC Bank counterpart, Dr. Demola Sogunle, after a meeting between both institutions at the Bank's premises in Lagos.

# Positioning the Nigerian Agricultural Value Chain for the take-off of the African Continental Free Trade Area (AfCFTA)



*President Muhammadu Buhari commits to the AfCFTA*

## AfCFTA Overview

The African Continental Free Trade Area (AfCFTA) is the continent's most ambitious integration initiative aimed at expanding intra-Africa trade, creating a single continental market for goods and services with free movement of people and investments.

The AfCFTA, billed to take effect on July 1, 2020, will create the world's largest trade area with a combined population of over 1.2 billion people and Gross Domestic Product (GDP) of over US\$2.3Trillion; Nigeria accounting for 15 percent and 17 percent of the African population and GDP values respectively.

## Implications for Africa and African Agriculture

According to the International Trade Center (ITC), intra-African trade was estimated at US\$135.4Billion in 2017, representing only 14.6 percent of Africa's total trade compared to intra-regional trade of 67 percent, 59 percent

and 46 percent of total trade in Europe, Asia and America respectively. In the agricultural sector, intra-African exports and imports accounted for only 19 percent and 18 percent of total agricultural exports and imports respectively. This implies that most of Africa's agricultural and total trade (exports and imports) are with countries outside the continent.

The reasons for this are not far-fetched. Rising middle income, urbanization and changing consumption patterns are putting pressure on the import of finished agricultural products and African countries are unable to supply these even where the raw materials are available in abundant quantities due to low value-addition capacity across the continent. Despite possessing the largest portion (65 percent) of uncultivated arable land in the world, African countries still depend heavily on imports from other continents for the supply of food and food products including cereals, beverages, sugar, fats and oil, dairy, etc. According to the AfDB, Africa's 2015 net food import bill of US\$35Billion will likely increase to over US\$110Billion by 2025.



The AfCFTA, therefore, presents a huge opportunity for Africa to achieve continental prosperity through increased price-competitiveness that comes with the removal of tariff and non-tariff barriers. This is an incentive for the acceptance of pan-African substitute goods in place of their Asian, European and American counterparts. The AfCFTA would also facilitate the easy flow of technology, equipment, intellectual and finance capitals by Africa for African agriculture.

Estimates from the United Nations Economic Commission for Africa (UNECA) suggest that the AfCFTA has the potential to boost intra-African trade by 52.3 percent by eliminating import duties and to double this trade if non-tariff barriers are also reduced.

### Opportunities for Nigeria

Nigeria, on July 7, 2019, signed the AfCFTA Agreement, alongside Benin, making 54 out of 55 African countries under the arrangement.

By this, Nigeria, blessed with comparative ecological advantages for the production of several agricultural commodities, should aim to be a chief exporter of key commodities to other African countries as other countries on the continent are also looking to take advantage of the Nigerian and wider African market that has suddenly opened up to them.

As a signatory to the Agreement, Nigeria must scale up production to access the upcoming liberalized continental market; increase value addition to ensure higher earnings on exports; improve on grades and standards, ensure the provision of relevant infrastructure for aggregation, transportation and storage; ease local shipment clearance procedures and improve the general business environment to be competitive.

The Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL Plc) is committed to championing Nigeria's agricultural revolution to take advantage of the AfCFTA. NIRSAL focuses on Value Chain Development, Finance Facilitation and Agricultural Risk



Management. Over the years, it has created and deployed sustainable agribusiness models, financing frameworks and risk management tools that share and minimize project and credit-related risks, thereby boosting investor confidence and eliminating barriers to the free flow of finance and investment to agriculture and agribusiness in Nigeria. To scale up production to service the African market, NIRSA's ongoing AgroGeoCoop® formation initiative aimed at structuring 4 Million hectares of land covering 8 Million smallholder farmers into 16,000 AgroGeoCoops® for the production of 18 priority commodities across NIRSA's Agricultural Commodity Ecological Areas (ACEAs) in Nigeria is ongoing.

Additionally, NIRSA's Inclusive Integrated Private Agriculture/Agribusiness Development Model encompasses solutions and services for land development, climate-smart irrigation, mechanized land preparation, seed processing, primary production, harvest, primary transportation and primary storage technologies as well

as captive off-grid energy services for the production of priority commodities across Nigeria.

Key stakeholders including agricultural value chain and agricultural finance value chain actors should leverage these game-changing initiatives and other NIRSA tools such as the Area Yield Index Insurance, Credit Risk Guarantee and Interest Drawback Scheme for the improved positioning of Nigerian agriculture towards enjoying the benefits of the AfCFTA.

The stage is set for the agricultural sector to emerge as the source of inclusive and sustainable economic growth that would restore the fortunes of the Nigerian economy, leveraging the expanding market opportunities for agricultural commodities: from the approximately 200 million local consumers and thousands of local industrial agro-processors to the 1.2 billion-people African export market presented by the AfCFTA.



## Cocoa Export: NIRSA Facilitates N2Billion Facility in Ondo

NIRSA provided Agro Traders Limited, a Cocoa processing and export company in Ondo State, with a 50 percent Credit Risk Guarantee (CRG) worth N2Billion in the form of a working capital facility. The Nigerian Export-Import Bank (NEXIM) and United Bank for Africa (UBA) are financing the purchase, storage, processing and export of 22,000 metric tonnes of cocoa beans – as part of the financing plan.

In line with global trends, NIRSA's CRG, drawn from its Risk Sharing Pillar – a mechanism that gives comfort to banks and other providers of finance to increase their lending to agriculture and agribusiness, is also playing a critical role in facilitating this investment.

NIRSA had previously signed a Master Agreement with NEXIM Bank for this kind of opportunities in the Agricultural Value Chain.

By this transaction, NIRSA continues to facilitate the flow of finance and investments into fixed Agricultural Value Chains, empowering smallholder farmers, and building long-term capacities amongst value chain actors, while NEXIM is fulfilling its objective of boosting exports.

Following Agro Traders' loan repayment record, NIRSA also covered the company's N1Billion facility granted by UBA in 2017 for 12 months during which it was issued an Interest Drawback totalling N8.9Million – this was significant in





*NIRSAL's MD/CEO, Aliyu Abdulhameed, with cocoa farmers and staff of Agro Traders Ltd in Akure, Ondo State.*

reducing the cost of the fund. NEXIM's 9 percent interest rate and NIRSAL's 50 percent CRG cover present an even more attractive financing proposition for the cocoa beans processing company.

"We are happy to use Agro Traders Ltd as an example to other Agro-allied companies on how they can grow their agribusinesses with NIRSAL's support" said Aliyu Abdulhameed, NIRSAL's Managing Director/CEO.

Mr. Kunle Ayoade, Managing Director of Agro Traders Ltd commended NIRSAL for supporting businesses that are contributing to Nigeria's quest for economic recovery, growth, and diversification. At the same occasion, NEXIM Bank's Folarin Tiamiyu reaffirmed the Bank's commitment to supporting exports, especially of agricultural produce, to boost Nigeria's Forex earnings and aid the diversification of the economy.

NIRSAL adopts a value chain fixing approach in facilitating finance and investments for agribusiness. The seamless flow of value through the four segments of the agricultural value chain, occasioned by the "pull and push" signals from the Upstream segment, is a priority for the risk management company.

Through its Mapping to Markets (M2M) strategy, NIRSAL is crowding actors from various value chains around the primary production of commodities. The Upstream

segment pulls input materials and mechanization from the Pre-upstream segment and pushes out produce to the Midstream segment and onwards to the Downstream. Accordingly, Agro Traders' business in the Midstream segment of the Cocoa value chain provides opportunities for the preceding value chain segments.

Smallholder farmers, who constitute over 80 percent of Nigeria's farming population, are NIRSAL's primary constituency. Agro Traders' business, therefore, takes on heightened importance because of the 17,000 smallholder farmers that have been supported by the offtake market that the Midstream company provides, and the 2,000 farmers scheduled to supply cocoa beans for this year's export.

Over the last two years, Agro Traders' activities in the Cocoa value chain – with NIRSAL's support – have resulted in, amongst many other outcomes, 10 percent increase in output, direct and indirect jobs creation, 20 percent increase in capacity utilization, and 40 percent increase in financial performance.

Agro Traders Limited was established in 1991 and is into off-taking of cocoa beans for onward export to Europe. The company is one of the largest exporters of Cocoa beans in Nigeria, shipping up to 22,000 metric tonnes of Cocoa beans annually, to reputable international players (e.g. Cargill, Transmar commodities, Naderland S.A, Noble resources).



*NIRSAL's representatives with staff of the Lake Chad Research Institute in Maiduguri, Borno State*

## Agricultural Research Institutes validate NIRSAL's Mapping of Agricultural Commodity Ecological Areas (ACEA)

To effectively fix broken Agricultural Value Chains, enhance farmers' productivity and boost investor confidence, NIRSAL embarked on a mission to identify and map Agricultural Commodity Ecological Areas (ACEAs) leveraging on innovation, technology, research and development.

The objective of the exercise was to optimize the use of Nigeria's vast arable lands by mapping them to the specific agricultural commodities they are most suitable for.

ACEAs are geographical locations lying within or beyond state boundaries where specific agricultural commodities have the comparative advantage to produce the highest yields with the least possible cost due to factor productivity (land, labour/human capital, water, soil and climatic suitability). As high yields result in high revenues, NIRSAL is interested in this approach which most assures it of prompt loan repayment and returns for investors/financiers.

Working with the Agricultural Research Council of Nigeria (ARCN) and the National Agricultural Institute (NARI), NIRSAL has derived the ACEAs for its focus commodities which include cotton, wheat, maize, soya, sesame, sorghum, rice, fresh fruits & vegetables, shea, cassava, ginger, sweet potato, beans, hibiscus, aquaculture, cashew and livestock. As the organisation continues to woo banks to commit portions of their balance sheets to agriculture on the back of its Credit Risk Guarantee (CRG), selecting investible projects according to their ACEAs is a preliminary measure

of risk management. Round-the-clock project monitoring & remediation and comprehensive index insurance provide further safeguards for invested funds.

Other organisations contacted by NIRSAL for the validation of its ACEA maps included; the National Cereals Research Institute (NCRI), Institute for Agricultural Research (IAR), Lake Chad Research Institute (LCRI), National Root Crop Research Institute (NRCRI), Cocoa Research Institute of Nigeria (CRIN), Nigerian Institute for Oil Palm Research (NIFOR), National Institute for Horticultural Research (NIHORT), National Institute for Freshwater Fisheries (NIFFR), National Animal Production Research Institute (NAPRI), and National Veterinary Research Institute (NVRI).

Beyond the validation of the ACEAs, the exercise opened a communication pathway for further collaboration between NIRSAL, ARCN, and the research institutes to generate and promote best practices, address value chain constraints, create and promote new technologies, as well as expanding research possibilities and maximizing partnerships.

The partnership will culminate in the signing of a Memorandum of Understanding between NIRSAL and the research institutes that will lead to the commercialization of combined research findings.







# Improving Farmgate Value: NIRSAL's AgroGeoCoops® proposition



Beneath the politics of Nigeria's land border closure lies survival exigencies for businesses in the real sector of the economy, no least those in agriculture. Much has been said about the foreign threats to Nigeria's continuing rice endeavour, but several other commodities do not share its local popularity. Nigeria is a huge market; meeting local demand alone would represent a momentous economic leap for this nation. Hence, closing the borders to check smuggling, however unpalatable elsewhere in the economy, is a food security imperative.

National economists have a simple logic for driving economic growth: reduce imports, grow exports – hence the border closure. But several agricultural commodities in Nigeria need protection from premature exports rather than from competing imports. In 2018 the President of the African Development Bank (AfDB), Dr. Akinwumi Adesina, said that Africa produces 75 percent of the world's Cocoa beans, but only makes 1 percent of the overall profit. Many children around the world who love chocolates may never have seen the Cocoa beans from which they are made. Such is the insignificance of those in the periphery of the value chain: farmers from Nigeria's South-West region who take

pride in being the force behind the country's sixth position in global cocoa production hierarchy.

The cocoa example is pretty much the story in every export-oriented value chain: sesame, ginger, shea, hibiscus. There are local dimensions, too: in the face of infrastructural inefficiencies, circumstantial farmgate markets where smallholder farmers are “ripped-off” appear. Even then, the prospect of post-harvest losses continues to loom, leaving the farmers between the devil and the deep blue sea.

In a recent commodity study tour conducted by the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL Plc), a team studying the fresh fruits & vegetables (FFV) value chain coursed through Lagos and Abeokuta, following the dire predicament of actors in the tomato value chain. Buying at the lowest possible farmgate prices notwithstanding, the oftakers are in a race against time to get to the market with their goods intact. They, very often, fail.

Many have seen the need to improve the capacities of local farmers in the areas of primary production, harvesting,



primary processing, primary transportation and primary storage (what NIRSAL terms PHP3) to enable them to retain as much value as possible and gain more reward from their endeavours. If cocoa farmers sold cocoa butter instead of cocoa beans, they would feature more prominently in the global scheme of things. If tomato farmers can extract and preserve paste from their tomato harvests, the race to sell-off would be reduced, and a better grip on pricing gained. According to NIRSAL, structuring the upstream segment of the agricultural value chain is a necessary first step to achieving this objective.

Firstly, NIRSAL sees disaggregated smallholders as a source of aversion for investors and financiers. It is a popular sentiment, after all, the World Bank through its FADAMA programme has always sought to aggregate farmers and match them with offtakers. The Central Bank of Nigeria's Anchor Borrowers' Programme (ABP) continues to explore the same modus. Sitting just behind these interventionist schemes is NIRSAL, with its business model – proposing and effecting the creation of Agro geo-cooperatives, known as NIRSAL AgroGeoCoops® along NIRSAL's Agricultural Commodity Ecological Areas (ACEAs). It is a model that will situate in 250-hectare AgroGeoCoops®, smallholder farmers that are already bound together by geography and ecology. Each geo-cooperative becomes a productive asset with all the contemporary business attributes.

NIRSAL's proposition is justified by hindsight. At every point in Nigeria's evolution as an independent nation, leaders have seemed apprehensive of the growing challenge of food security. This apprehension has resulted in the creation of several schemes and policy documents, enough to fill a library. Prior to independence, the colonial government focused on the production of cash crops: rubber, cotton, groundnut, palm and cocoa. After independence, food was deemed crucial to the preservation of the new nation. In the 1970s, no less than six agricultural schemes and programmes were initiated, including the Agricultural Development Project (ADP) and Operation Feed the Nation (OFN). The '80s and '90s were just as busy: they were the era of the Green Revolution and food import bans.

While many yesteryears' agricultural schemes continue to sink into oblivion, the FADAMA project seems to have come furthest with Nigeria. But as of today, FADAMA III farmers are being migrated into the Anchor Borrowers' Programme:

the difference being, FADAMA is based on grants, the ABP on loans. At 9 percent interest rate, the ABP is not the long-term solution either. Commercial banks simply won't do the business! It just so happens that in Edo and Ondo States, it is NIRSAL that is preparing the FADAMA III farmers for life in the ABP, thereby improving its knowledge of smallholder farmers and value chain challenges and creating sustainable solutions.

As the creation of NIRSAL AgroGeoCoops® widens out from Gui in Kuje Area Council of the Federal Capital Territory (FCT), NIRSAL's commodity study tours is a subset of the continuous engagement of farmers and study of value chains that will lead up to the establishment of dynamic AgroGeoCoops® that will hold a perpetual attraction for input providers in the pre-upstream segment of the value chain, offtakers in the mid-stream and consumers in the downstream – an ecosystem animated by blended finance. The study tours covered the 15 commodities under NIRSAL's focus known as the 5-4-3-2-1-+ commodities which include 5 industrial commodities – maize, soybean, wheat, cassava and cotton; 4 export commodities – hibiscus, sesame, ginger and shea; 3 consumer commodities – rice, potato and beans; 2 controlled environment agriculture commodities – fresh fruits and vegetables (FFV) and aquaculture; and integrated livestock commodity.

At a presentation session in NIRSAL's Head Office, Team Leads turned in their reports, which will trigger targeted trainings, leveraging NIRSAL's Technical Assistance pillar. With improvements in farmers' technical capacities, the origination and expansion of financial and insurance products to cover more value chain players are expected in the short-term.

Meanwhile, after the creation of AgroGeoCoops® of 250 hectares, the precise measurement of each smallholder's land will follow to determine their equity contribution. With the right crop for the ecology cultivated, end-to-end mechanization deployed, offtake markets and finance locked-in, the Geo-cooperative becomes, as said earlier, a live asset that is perpetually delivering value to its owners.



*The Alaye of Ayetoro, His Royal Majesty, Oba Abdulazeez Ishola Adelakun, presenting input materials to a smallholder farmer*

## NIRSAL introduces structured, mechanised farming approach to 851 farmers in Ogun

NIRSAL organised 851 maize, rice and cassava farmers in Ogun State into financeable AgroGeoCoops® so that they could participate in the 2019 wet farming season under the Anchor Borrowers' Programme (ABP).

The ABP is an agricultural input loan scheme of the Central Bank of Nigeria (CBN) in which smallholder farmers receive single-digit interest rate loans in the form of inputs and pay back with portions of their produce. As a Participating Financial Institution in the programme, NIRSAL administers the ABP on behalf of the apex bank.

NIRSAL flagged off the distribution of inputs to farmers under Ode-Omi Rice Association, Ogun State Chapter of the Nigeria Cassava Growers' Association (NCGA), and Business Support Academy (BSA) whose farmers received pre-emergence herbicides, certified seeds, crop protection products, NPK and Urea.

NIRSAL, through the ABP, is committed to addressing the challenges of smallholder farmers in the State using its end-to-end approach to agricultural projects which spans the pre-upstream, upstream, midstream and downstream segments of the Agricultural value chain.

Through the ABP, NIRSAL is addressing the problems of access to finance & markets, structuring, low technical know-how and other challenges facing smallholder farmers in the state.

Permanent Secretary of the Ogun State Ministry of Agriculture, Mrs. Abosede Olaseni Ogunleye, expressed her gratitude towards NIRSAL's interventions as it was in line with the State Government's third cardinal programme of Increased Agricultural Production leading to Industrialization.

The Alaye of Ayetoro, His Royal Majesty, Oba Abdulazeez Ishola Adelakun, also in attendance at the flag-off, expressed gratitude to NIRSAL for including his kingdom in the ABP intervention. He was confident that the development would bring widespread economic growth to the state and South-West region as a whole.

Farmers have been facing challenges relating to finance, access to quality inputs and dishonest middlemen. With this intervention, coupled with support from the state government, Ogun state farmers will finally experience relief and massive prosperity.

Chairman, Ogun State Chapter of the Nigeria Cassava Growers' Association, Prince Akinbode Adeneye, observed that, in the past, farmers had been challenged by lack of structure, access to finance, and mechanisation. Thousands of smallholder farmers nationwide have received input packages for the cultivation of maize, cassava, rice, soybean, oil palm, cocoa, cotton, sorghum, sesame, and tomatoes under the ABP for both dry and wet seasons.





## Dry Season Farming: North-East farmers laud NIRSAL for support under the CBN ABP

NIRSAL flagged off the distribution of agricultural inputs to over 1,700 rice and maize farmers in Gombe State. The exercise was conducted under the Central Bank of Nigeria's (CBN) Anchor Borrowers' Programme (ABP), for the 2018/2019 Dry Season farming. Beneficiaries of this initiative were drawn from Kupto, Funakaye, and Yamaltu Deba Local Government Areas (LGA). Under the ABP initiative, farmers now have skills to cultivate rice and maize during the dry season.

Close to 1,200 farmers, members of HABUCOM Farmers Group, a local cooperative, have received close to 2,200 petrol Water Pumps which are helping them irrigate their farms and facilitating successful dry season cultivation. Each of the 2,170 hectares of farmland now has a water pump, supplied with support from NIRSAL, making it easier to irrigate the fields. In the past, farmers overworked the only available water pumps which affected the farmers' ability to effectively cultivate during the dry season.

Other inputs distributed to the rice and maize farmers of HABUCOM and Rice Resources Cooperative include 123 tonnes of seed, 6,152 litres of crop protection chemicals, 769 tonnes of fertilizer and 3,076 units of knapsack sprayers.

Rice Resources Cooperative President, Alhaji Ahmed Shehu confirmed that "with the certified improved seeds given to farmers by NIRSAL, we are now expecting a bumper harvest of about 120 bags of rice from every two hectares cultivated."

Alhaji Shehu called for additional government support to enable the group to continue the expansion of their farm operations and to expand their cooperative into larger clusters. He further expressed gratitude to NIRSAL, CBN and the Federal Government for improving the capacity of their group.

NIRSAL also completed ABP input distribution in four states of the North-East (Gombe, Borno, Taraba, and Adamawa). The programme seeks to address the pre-upstream challenges associated with the rice and maize value chains in the region. NIRSAL also flagged-off input distribution for the 2019 Wet Season in Imo, Anambra, Ebonyi, Enugu, Abia, and Delta States where the major commodities being cultivated are cassava, rice and maize. Before this exercise commenced, NIRSAL launched its agricultural input distribution in Sokoto, Bauchi and Kano States, where over 3,000 rice farmers benefited from the CBN ABP.



## **CBN Anchor Borrowers' Programme: NIRSAL supports Maize Farmers in Abia State**

NIRSAL concluded harvest and post-harvest activities for maize in Lokpa Nta and Umunneochi Local Government Areas of Abia State - this was part of the Central Bank of Nigeria's (CBN) Anchor Borrowers' Programme (ABP).

NIRSAL, a Participating Financial Institution (PFI) in the ABP, is supporting 387 maize farmers belonging to the Kelechik Out-growers scheme. During the trial phase, NIRSAL has successfully harvested an initial 21 Hectares of land belonging to 21 smallholder farmers while arrangements have been concluded for the outstanding 366 farmers to participate in the 2019 Wet Season farming.

The end-to-end use of mechanization; from pre-planting through to storage, facilitated the harvest of over 1,300 tonnes of maize with a market value of over N162Million. NIRSAL provides all-round support to smallholder farmers

from production to off-take. To ensure optimum yield, farmers are trained on Best Agronomic Practices and Farm Management which is critical for them to transition from smallholder farming to Agribusiness.

This support to farmers has strengthened their capacity and facilitated improvements in crop yields, higher incomes and better livelihoods.

NIRSAL is de-risking agricultural projects through the deployment of Field Officers who are part of NIRSAL's nationwide Project Monitoring, Reporting and Remediation Office (PMRO). PMROs closely monitor NIRSAL-supported projects, provide technical assistance to producers, smallholder farmers, and other stakeholders in the Agricultural Value Chains. It also serves as a Business Development Unit tasked with identifying financially viable agricultural projects.



# NIRSAL's FAM-SMART model launched in Osun, Edo States



*NIRSAL's Managing Director/CEO, Aliyu Abdulhameed, explains the FAM-SMART Model to His Royal Highness, Oba Adeyeye Enitan Ogunwusi, the Ooni of Ife and Professor Eytape Ogunbodede, the Vice Chancellor of the Obafemi Awolowo University, Ile-Ife*

NIRSAL launched its Farm Aggregation Model for Small Holder Agriculture based on Technology (FAM-SMART) - a technology-driven, mechanised approach to the current drudgery- filled farming practices in the country.

The model is a shift from the traditional way of farming, as it introduces farmers to modern farming practices through centralised and controlled input, training and mechanisation services to enhance economies of scale. It also makes use of advanced social engineering and field mapping techniques to create contiguous farmlands at scale from fragmented smallholder farm plots.

"FAM-SMART model will set the tone for a new, technology-driven era of agricultural primary production in Nigeria," stated Aliyu Abdulhameed, NIRSAL's Managing Director/CEO. The model promises to deliver increased outputs and revenues as the entire set-up would guarantee the use of premium seeds, best agronomic practices, mechanisation, timely evacuation of produce and prompt payments for goods and services, he added.

He also observed that efforts to move Agriculture forward must be targeted at smallholder farmers (SHFs) in the Upstream segment of the Agricultural Value Chain where planting takes place, as it is the segment with the most risk along the value chain, and provides the raw materials for the Mid-Stream and Downstream segments where risks are lower.

FAM-SMART model was conceived to be the basic structure of production that is attractive to finance, especially because banks remain averse to financing smallholders in piecemeal.

Under the model, NIRSAL identifies SHFs who are engaged in the cultivation of 1 hectare to 5 hectares of fragmented land individually and aggregates them into a contiguous single farm holding (NIRSAL AgroGeoCoop®) of 250 hectares. Using NIRSAL's geospatial technology, a Virtual Asset Title (VAsT) which records vital data of the farmers and their lands is then created for the individual farmers.

To make the projects commercially and economically viable and sustainable, SHFs are trained and anchored with input suppliers, mechanisation service providers, off-takers, financial institutions etc.

Funding for the project will either come wholly from NIRSAL or via a Joint venture between NIRSAL and 3rd party organisations. Project Management, on the other hand, will be handled by a Special Purpose Vehicle (SPV) carefully selected by NIRSAL after meeting set criteria.

In addition to the launch of the FAM-SMART projects, NIRSAL introduced students of the OAU to NIRSAL's Youths in Innovative Agribusiness Initiative (N-YIA). The N-YIA aims to empower 2.2 Million Nigerians aged 18-35 by 2029 through the provision of Technical Assistance and fund-raising support, the creation of an enabling environment, and the provision of advisory support amongst others.



*President of the German Agribusiness Alliance, Frank Nordman, in a handshake with NIRSAL's Managing Director/CEO, Aliyu Abdulhameed, in the company of other stakeholders*

## NIRSAL to leverage European technologies and innovations through the German Agribusiness Alliance

As part of efforts aimed at strengthening partnerships between local and global players and facilitating the speedy development of Nigeria's agricultural sector, NIRSAL pitched a number of its ongoing initiatives for agribusiness investment to the German Agribusiness Alliance (GAA).

The meeting followed the state visit of the German Chancellor, Angela Merkel, to Nigeria, and a follow-up visit to Germany by Vice President Yemi Osinbajo in 2018.

The German Agribusiness Alliance, comprising over one hundred agribusiness entities has enormous technology at its disposal which could support NIRSAL's delivery of precision agriculture in Nigeria.

During the engagement, Nigerian agribusiness entrepreneurs explored several options that GAA could offer in strengthening the role of agriculture in the economy. The success of the engagement owed much to the Buhari administration's strong support to the Agriculture Sector and its strategic alliance with the German Government. Operating under the Nigeria-Germany alliance, NIRSAL has been interfacing with German businesses in search of technology and equipment for Nigeria's richly endowed Agricultural Sector.

Germany Deputy Ambassador to Nigeria, Ms. Regine Hess,

reaffirmed her country's support to the partnership and participants to explore options for addressing infrastructure, insecurity and inadequate product information challenges in the market.

Aliyu Abdulhameed, NIRSAL's Managing Director/CEO, offered to facilitate locating GAA machines, equipment, agro-chemicals and other innovations in Abuja to show the depth of their capabilities to Agricultural Value Chain actors in Nigeria and beyond.

President of GAA and leader of the delegation, Mr. Frank Nordman, expressed his desire to take the engagement forward as it had the potential to create win-win solutions for all parties involved. He noted the opportunities in NIRSAL's quest to improve yields per hectare for the millions of smallholder farmers in Nigeria, as well as in improving post-harvest processes that preserve value for farmers and offtakers, and in the servicing of export markets. The partnership would also aim at improving the standards of Nigeria's agricultural produce to make them comprehensively acceptable in the global market.

NIRSAL and the GAA committed to a Framework of Understanding which would guide the GAA representatives as they return to Germany to pitch wide within the alliance and derive tailor-made solutions for the Nigeria market.





*NIRSAL Managing Director/CEO, Aliyu Abdulhameed, with stakeholders from NIRSAL, PETKUS, SEEDAN, PULA Advisors, Syngenta and the National Agric Seeds Council*

## NIRSAL leads experts to fix challenges in seeds/grains value chain

To overcome the obstacles that are preventing the seeds and grains value chain from achieving full investment viability, the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL Plc), led a diverse and high-level group of local and international experts to seek efficient and sustainable solutions.

To achieve the objective, the corporation hosted the Stakeholders Round-table Discussion on Seeds and Grain Processing Technology for Nigeria at its headquarters in Abuja.

Several stakeholders participated in the engagement including, representatives from PETKUS GmbH, a German and world-leading post-harvest management company; the Director General of the National Agricultural Seed Council (NASC) and the President, Seed Entrepreneurs Association of Nigeria (SEEDAN).

The sessions analysed the key challenges limiting the financial viability of the Cereal and Legume value chains in Nigeria which occur at the Seed Input and Grain Output stages. It also explored solutions to challenges faced by farmers who, despite being trained in the use of certified hybrid seeds were recording low viability and germination rates, low or average productivity and up to 30 percent post-harvest losses - Nigeria's annual post-harvest losses stand

at about US\$9Billion; leading to lower capacity to service the consumer, industrial and export grain markets, lower returns to the farmer, inability to fulfil financial obligations or repay loans, sustained poverty and impoverishment.

The event, built on the strong NIRSAL-PETKUS partnership, was organised in line with NIRSAL's core mandate of making agriculture attractive to the financial sector and facilitated discussions on different models that have the potential to facilitate the growth of agribusiness in Nigeria.

"The history of the event dates back to August 2018 when NIRSAL signed a partnership agreement with PETKUS in the presence of President Muhammadu Buhari and Chancellor Angela Merkel of Germany during the latter's visit to Nigeria." Aliyu Abdulhameed, NIRSAL's Managing Director/CEO recalled.

NIRSAL has performed background assessments and field checks on the Petkus solutions in Germany and Burkina Faso where Petkus solutions have been piloted with 1,000 smallholder farmers. Similarly, Petkus has gained insights into the workings of the local Nigerian primary production systems testing the quality and viability of sample certified seeds and witnessing the huge post-harvest losses and absence of basic value addition technologies in Jigawa, Kano and Taraba States.



*Tayo Adewumi, National Project Coordinator of Fadama III AF, and IB Gashinbaki, Managing Director MECA, sign the MOU while Aliyu Abdulhameed, Managing Director/CEO, NIRSA (center), Dr Maimuna Habib, Director, Project Coordinating Unit, FMARD and Ernest Ihedigbo, Head, Balance Sheet Financing & Portfolio Management, NIRSA, look on.*

## Mechanized agriculture: NIRSA, MECA sign Agreement with World Bank's FADAMA III

NIRSA and Machine and Equipment Corporation Africa (MECA) signed an agreement with the World Bank's FADAMA III-AF programme for the management of its Agricultural infrastructure.

FADAMA III-AF, consequently, entrusted its agricultural infrastructure, which includes mechanization equipment, irrigation systems, and storage facilities in the hands of NIRSA and MECA, through their joint mechanization programme - the NIRSA Comprehensive Agricultural Mechanization Programme (NCAMP).

NCAMP is a holistic Mechanization Programme designed to address the low agricultural mechanization rate as a critical intervention for the achievement of food security, job creation and diversification of Nigeria's economy.

NCAMP is an all-encompassing, commercially driven scheme designed to contribute to the agricultural mechanization value chain through increased access to tractor and land clearing services at affordable rates for smallholder farmers and, in line with the Buhari Administration's drive to enhance National Food Security.

It comprises of 6 unique modules including; Recovery, Repairs, Maintenance of Heavy Duty Agricultural Land and Infrastructure Development Equipment (RE-MAIN), the Agricultural Equipment Repair, Maintenance & Management Service Scheme (AEMS), the Sub-National Government Tractor Acquisition Programme (SNAP), the Vendor Financing & Lot Sharing Scheme (VFLoS), the NIRSA-MECA Agricultural Mechanization Management Contract Scheme and the Technical and Vocational Training Scheme for tractor/agricultural equipment mechanics, technicians and operators.

Of the 6 components, FADAMA opted for Agricultural Equipment Repairs, Maintenance and Management Service Scheme (AEMS) to ensure the sustainability of its mechanization infrastructure. The AEMS provides commercial operation and management service based on a fee-for-service model. Under this arrangement, mechanization equipment is also operated on a "Rehabilitate/Maintain, Operate and Transfer" (ROT) Business model.

The partnership is part of initiatives targeted at achieving sustainability and continuity of FADAMA III projects and





*“Project will boost access to tractor and land clearing services at affordable rates for Smallholder Farmers.”*

*Abdulhameed*

infrastructure as the World Bank project approaches its official closing date of December 2019.

Speaking at the signing ceremony, Aliyu Abdulhameed, NIRSAL's Managing Director/CEO, appreciated FADAMA's recognition of NIRSAL as a partner of choice and reaffirmed NIRSAL's continued support to FADAMA's activities in Nigeria.

Abdulhameed assured farmers under the FADAMA Federated Community Associations (FFCAs), NIRSAL will continue to support them even beyond the provision of mechanization services.

“NIRSAL was created to facilitate finance to all value chain actors, yourselves included. With the winding down of FADAMA, you can rest assured that NIRSAL will deploy its resources to ensure continuity in the support, development, and growth of your agricultural activities,” Abdulhameed added.

The N-CAMP is commercially driven and built upon a set of unique components which focus on providing affordable financing for the acquisition of new tractors, heavy-duty land development and mechanization equipment, and the repair, refurbishment, maintenance and management of broken-down tractors, heavy-duty machines and equipment. These equipment will be deployed and made available to farmers on a fee-for-service basis. Abdulhameed appealed to the Central Bank of Nigeria to continue its critical interventions in the Agribusiness sector, and for the World Bank to keep supporting agricultural programmes in Nigeria as they have done with FADAMA III-AF which has been in existence for over two decades.

NIRSAL has conducted an assessment of the pilot phase of N-CAMP at the Scientific Equipment Development Institute, Minna, Niger State.

State Governments who are participating in the programme as well as financial institutions present at the event acknowledged the success of the N-CAMP's proof of concept and expressed their desire to provide financing for the programme.

## NIRSAL partners World Bank's APPEALS project for enhanced agricultural productivity, improved value addition



*The National Project Coordinator of the APPEALS Project and Director of Agriculture, Federal Ministry of Agriculture and Rural Development (FMARD), Dr Amin Babandi, in a handshake with Aliyu Abdulhameed, Managing Director/CEO NIRSAL at the MOA Signing Ceremony.*

NIRSAL signed a Memorandum of Agreement and Action (MoA) with The Agro-Processing, Productivity Enhancement and Livelihood Improvement Support (APPEALS) – a US\$200Million World Bank-funded project – for the development, financing, and support of de-risked and optimized agribusiness projects.

NIRSAL will layer its Tools, Techniques, Methodologies and strategic Partnerships (TTMPs) according to its Mapping to Markets (M2M) strategy on the project, with the shared aim of enhancing agricultural productivity of small and medium-scale farmers as well as improvement of value addition along the cassava, cashew, rice, poultry, aquaculture, cocoa, wheat, tomato, maize, ginger and dairy value chains in a sustainable manner.

The project, deployed in Cross River, Enugu, Lagos, Kogi, Kaduna, and Kano States, targets 60,000 beneficiaries directly, and over 360,000 farm households indirectly in the target areas of which 35 percent are women. Additionally, the project has a dedicated sub-component to benefit women and youth that will allow them to develop agribusinesses and stimulate job creation and improve their livelihoods.

Aliyu Abdulhameed, NIRSAL's Managing Director/CEO, assured APPEALS of NIRSAL's capacity, reliability and continued support in enhancing the agricultural productivity of small and medium scale farmers and improving value addition along priority value chains in participating states. As part of the partnership, "NIRSAL will deploy its



technologies towards the formation of NIRSAL AgroGeoCoops® for selected commodity value chains through geospatial mapping, soil suitability tests and BVN enrolment for farmers. Additionally, NIRSAL will be responsible for the creation of Virtual Asset Titles (VAsT), the establishment of field governance structures, and training of farmers on good agronomic practices, team dynamics and social engineering” stated Abdulhameed.

NIRSAL will also link producers to relevant consumer, industrial and export markets through value chain roundtables, business deal facilitation meetings, among other initiatives. Abdulhameed added that NIRSAL will work with the State teams to structure agribusiness projects patterned after agreed sustainable models for APPEALS’ financing while deploying NIRSAL’s partnerships and models for technology demonstration and adoption.

To protect primary producers under the project from losses due to pest, diseases, adverse weather conditions and general drops in expected yields, NIRSAL will deploy its Area Yield Index Insurance product.

Furthermore, Abdulhameed pointed out that, to ensure business sustainability, NIRSAL will extend its technical advice to the APPEALS Project to instil business discipline, adoption of a mandatory savings culture and reinvestment of profits for sustainability and expansion in the beneficiaries.

The National Project Coordinator of the APPEALS Project and Director of Agriculture, Federal Ministry of Agriculture and Rural Development (FMARD), Dr. Amin Babandi described the partnership as a “turning point” in the project’s life cycle.

In Babandi’s words: “Through this agreement, I am confident that APPEALS will achieve its set targets of impacting at least 60,000 and 360,000 direct and indirect

beneficiaries respectively.” This, he noted, would bring about the livelihood improvement that APPEALS was created for.

World Bank Task Team Leader of the APPEALS Project, Dr. Sheu Salau thanked NIRSAL for supporting the project with its technological know-how, expertise, and depth of knowledge in agribusiness.



He further noted that to achieve its objective of enhancing agricultural productivity and improving value addition, APPEALS would focus on production and productivity enhancement; primary processing, value addition, post-harvest management and women and youth empowerment; infrastructure support to agribusiness clusters; technical assistance, knowledge management and communication; and project management and coordination.

APPEALS is being coordinated by the Federal Ministry of Agriculture and Rural Development and implemented by a National Coordination Office and six State Coordination Offices.



*L-R: Opeoluwa Ogundipe, Senior Manager Agricultural Value Chain Finance and Investment Service, NIRSAL in a handshake with Kunle Ahmed, CEO, AXA Mansard.*

## **NIRSAL's US\$10M Ratings pillar: 3 State Govts, Banks sign on for Pilot Scheme**

NIRSAL activated its Rating and Incentive pillars as part of its broad mandate to fix broken agricultural value chains and to stimulate the flow of finance and investment into the agribusiness sector in Nigeria.

The US\$10Million Rating Facility seeks to assess the performance of key stakeholders like financial Institutions and State Governments on the effectiveness of their agricultural policies and programmes.

The first phase of this Ratings exercise is targeted at Banks, Insurance Companies and State Governments – the pilot exercise commenced with six financial institutions - Stanbic Bank IBTC, Ecobank, AIICO Insurance, AXA Mansard and LAPO Microfinance Banks. Three state Governments will also be assessed during this phase.

The pilot phase facilitated the design and roll-out of a comprehensive Ratings Programme for all interested stakeholders.

The Rating and Incentive pillars represent the last two of NIRSAL's five pillars; the US\$300Million Risk Sharing Facility, the US\$60Million Technical Assistance Facility and US\$30Million Insurance Facility. These five strategic pillars provide the funding basis for NIRSAL's de-risking operations and interventions across the agricultural value chain.

To successfully activate its Rating and Incentive pillars, NIRSAL, in consultation with a wide spectrum of stakeholders, developed a scoring methodology for the three clusters to enable independent assessment of their agricultural activities.

The scoring methodology to be deployed for Banks rates them according to their organizational commitment to agriculture, quality of their agricultural portfolio and recognizes smallholder farmers inclusion and innovation in their agric lending activities.

Insurance Companies will be rated based on the innovative agricultural insurance products developed, customer acquisition and satisfaction and timely processing of claims. The rating of Sub-National Governments will enable the ease of doing agribusiness in the respective States to improve access to critical factors of production and provide the enabling and regulatory environment necessary for agribusinesses to thrive.

The results of the Ratings exercise were used to develop a comprehensive incentives programme which rewards innovation and encourage healthy competition among Financial Institutions and State Governments to support the agribusiness sector and encourage smallholder farmers' inclusion.





## NIRSAL, WEMA, Cellulant partner to link farmers to steady markets

*L-R: NIRSAL's Executive Director, Technical, Mr. Babajide Arowosafe, Co-founder/CEO of Cellulant, Bolaji Akinboro, Managing Director/CEO of Wema Bank, Ademola Adebise, and Cellulant Co-founder, Kennedy Njoroge.*

NIRSAL partnered with Wema Bank Plc and Cellulant Nigeria Ltd on the development and deployment of a unique commodity financing model which will link commodity buyers to rural markets in an efficient and structured way.

The model will enable small-scale farmers in the upstream segment of the value chain to have access to both community-based produce aggregators and commodity buyers servicing the Downstream segment.

Farmers who often lack adequate knowledge of commodity prices and access to markets will now be able to sell their produce to offtakers who have specific commodity demands. Leveraging on Cellulant's Agrikore- a secure, digital marketplace, farmers will be mapped to produce aggregators within their locality who will offtake the farmers' produce to their storage facilities before delivery and sale to commercial buyers.

As part of the Commodity Aggregation Finance Scheme, Wema Bank will provide NIRSAL Credit Risk Guarantee (CRG)-backed loans to aggregators including leaders of NIRSAL's AgroGeoCoops®, who will supply commodities to Corporate Commodity Buyers on order. This will provide a steady and reliable market for rural smallholder farmers, including NIRSAL's AgroGeoCoop® farmers.

The tripartite collaboration is a natural fit for NIRSAL's efforts towards strengthening links between all value chain segments. At the formal launch of the partnership, Aliyu Abdulhameed, NIRSAL's Managing Director/CEO, noted that through the partnership, NIRSAL's efforts to resolve issues in the Downstream segment of the Agricultural Value Chain have been greatly enhanced. "It is imperative for NIRSAL

to create an organized market for agricultural produce that ensures that smallholder farmers get true value for their labour, while satisfying market demand," stated Abdulhameed.

Managing Director/CEO of Wema Bank, Ademola Adebise, reaffirmed Wema Bank's commitment to delivering on its obligations of the partnerships through smart lending to community-based commodity aggregators and leaders of NIRSAL's AgroGeoCoops®.

Co-founder and CEO of Cellulant, Bolaji Akinboro reiterated Cellulant's commitment to structuring and digitalizing the downstream sector of Nigeria's Agricultural value chain by creating an organized blockchain-based market for agricultural produce. He added that through Agrikore, Cellulant connects stakeholders and service providers to farmers and the unbanked. The platform he noted, currently encompasses about 15,000,000 farmers' records – consequently acting as a bridge between commodity buyers and rural markets players.

The Commodity Aggregation Finance Scheme is a testament to the possibility of the private sector leading the economic diversification efforts of the Federal Government through Agriculture in a continued, sustainable manner.

As an institution created to link agribusiness with finance, NIRSAL continues to partner with private and public sector stakeholders by extending its CRG cover to loans and Interest Draw Back incentive to borrowers in good standing. NIRSAL has already facilitated and launched Stanbic IBTC Bank-funded CRG projects in Kaduna State worth N6Billion.



*Aliyu Abdulhameed, Managing Director/CEO, NIRSAL; Jerry Gushop, Head, Agribusiness, Stanbic IBTC Bank; Alh Nuhu Aliyu, Galadiman Zazzau, Chairman NALMACO with high-ranking members of the Zazzau Emirate Council at the CRG Launch in Zaria.*

## **NIRSAL facilitates N6billion fertilizer and grain investments by Stanbic IBTC Bank in Kaduna**

*Facilitates N23Billion investment by Stanbic IBTC across agricultural value chain Nationwide*

NIRSAL facilitated over N6Billion into strategic projects in the Pre-Upstream And Midstream segments of the agricultural value chain by Stanbic IBTC Bank in Kaduna State. The institution provided Stanbic IBTC Bank with Credit Risk Guarantee (CRG) cover on a credit facility worth N875Million to Hulhulde Nigeria Limited – a fertilizer Super Agro Dealer, as well as N3.6Billion and N1.72Billion facilities for LoryB & DP Ventures Limited and Nalmaco Nigeria Limited respectively – both grain processing companies.

Across the federation, NIRSAL, through its partnership with Stanbic IBTC Bank has facilitated a total of N23.1Billion in agribusiness loans under its CRG cover. The partnership continues to set the pace in NIRSAL's relationship with commercial banks as it pursues its goal of significantly increasing total bank lending to agriculture.

NIRSAL's 75 percent CRG cover on Hulhulde's facility supports its value chain financing logic as it gives access to reliable and affordable fertilizer to the thousands of smallholder farmers served by the Super Agro Dealer.

Additionally, the 50 percent CRG cover issued to the LoryB & DP Ventures Limited and Nalmaco Nigeria Limited facilities creates guaranteed markets for the local smallholder farmers who supply the grain processors.

Leveraging on its US\$300Million Risk Sharing Facility with which it secures up to 75 percent of agricultural loans, NIRSAL continues to woo banks to increase lending to Agribusiness by investing in a risk-free, profitable financing ecosystem.



With the current low pricing of financial assets, NIRSAL's call becomes more resonant given that the real sector now presents banks with the best opportunities for higher earnings.

"The CRG cover supports beneficiaries' businesses in many ways: it eliminates complex collateral requirements in accessing the facility by using inventory as security; it rewards good loan behaviour with Interest Drawbacks of up to 40 percent, effectively reducing the cost of capital. These incentives ultimately improve financial positions of companies, enabling them to engage more labour and generate more output," Aliyu Abdulhameed, NIRSAL's Managing Director/CEO pointed out when he visited some of the benefiting companies.

NIRSAL structures financing deals that are collateralized by inventory, making access to finance easier and smoother for borrowers. The organization has developed financing frameworks that speak to different commodity value chains, notably for fertilizer and grains (Fertilizer Financing Framework & Grain Financing Framework).

Deputy Chief Executive at Stanbic IBTC Bank, Mr. Wole Adeniyi restated the Bank's commitment to supporting the real sector of the economy – especially agriculture – to aid the diversification of the Nigerian economy. He also noted that the Bank's financing portfolio limit was recently increased to N50Billion.

Value of lending covered by NIRSAL CRG is currently over N12Billion, with another set of transactions totalling N11Billion at final stages of processing, for onward submission to NIRSAL for issuance of its CRG cover.

The Bank's goal is to exhaust the N50Billion NIRSAL portfolio limit within the 2020 financial year and continuously seek more opportunities to further deepen financing of agribusiness.

Chairman of Hulhulde, Alhaji Ya'u Adamu Dan Fulani, expressed his appreciation of the initiative by NIRSAL and

partners, a sentiment also expressed by Alhaji Nuhu Aliyu, the Chairman and Managing Director of Nalmaco Nigeria Ltd. At the same event, Dr. (Mrs.) Loretta Balogun, Chief Executive Officer of LoryB & DP Ventures Limited stated that the grain processing company's cost of funds has been reduced by the entrance of NIRSAL into the now three-way relationship.

Having enjoyed a 20 percent Interest Drawback on their previous NIRSAL-guaranteed facility, Dr. Balogun appealed for an increase to further lower the company's cost of funds and boost its positive contribution to the economy.

Through its support of LoryB & DP Ventures Limited and Nalmaco Nigeria Limited, NIRSAL's goal of developing value chains according to its Agricultural Commodity Ecological Areas (ACEAs) is advanced in the North-West region, Nigeria's grain belt. Its support for Hulhulde Nigeria Limited will help propel the crucial Pre-Upstream activities that will avail grain farmers in the Upstream (farming) segment of the agricultural value chain with quality inputs. NIRSAL's CRG support highlights the importance of affordable finance to agripreneurs, as it triggers a cycle of activities that gainfully engage many in the creation of value.

As a result of NIRSAL's CRG cover, the grain processing companies have increased their pool of smallholder grain suppliers by a combined 50 percent, and their capacity utilization and cash flow by an average of 17.8 percent and 8.3 percent respectively. Furthermore, over 390 full and part-time staff are currently employed by these companies; this is more than 60 percent growth in just 12 months.

On the way to its mid-term goal of increasing bank finance and lending to agriculture from the current level of 4.2 percent to 7 percent by 2026, NIRSAL is catalysing the inflow of sustainable finance and investments into the agricultural value chain and supporting the Federal Government's Agricultural Promotion Policy.

## NIRSAL-facilitated Edo rice, maize project delivers optimal returns to farmers



*Edo State Governor, Godwin Obaseki, on a combine harvester during the harvest in Sobe, Owan West LGA, Edo State*

Edo farmers realized a 100 percent increase in yields and revenues from the 2019 early wet season production of rice and maize following the deployment of improved technologies, optimised operations, funding and guaranteed markets facilitated by NIRSAL.

Initially intended for 880 farmers to cultivate 4,400 hectares of land across 18 Local Government Areas, the early wet season project kicked off with 180 farmers cultivating 900 hectares in its first phase, with the outstanding projects to be activated in subsequent farming seasons.

NIRSAL, over the past two farming seasons, successfully piloted its Farm Aggregation Model for Small Holder Agriculture based on Technology (FAM-SMART) model in Edo, Osun, Ekiti and Kogi. To enhance the model, NIRSAL implemented its AgroGeoCoop® formation system and Mapping to Markets (M2M) framework at the production and market levels respectively for improved results.

Results obtained following the adoption of this

comprehensive smallholder aggregation and end-to-end value chain intervention by the Edo State Government, including the successful implementation of the field test case operations have confirmed the value and relevance of NIRSAL's models.

With the success of the Edo project, it is expected that the model would be upscaled in coming farming seasons across Nigeria to boost food production and support the Federal Government's efforts towards agribusiness development.

NIRSAL's collaboration with the Edo State Government serves as a practical showcase of NIRSAL's AgroGeoCoop® formation concept and M2M strategies which centre on the aggregation of smallholder farmers based on the contiguity of their individual landholdings making up a critical financeable size of 250 hectares each and ensuring that all segments of the agricultural value-chains are linked to structured markets from Pre-Upstream (inputs and mechanization) through Upstream (farming), Midstream (processing and storage) down to Downstream (markets).





*L-R: Aliyu Abdulhameed, Managing Director/CEO, NIRSAL; Godwin Obaseki, Governor, Edo State; and Joe Okojie, Special Adviser to the Governor on Agriculture, during the harvest launch in Sobe*

NIRSAL first deployed its remote sensing and Farm Management and Information Capabilities to ensure that identified locations were indeed suitable for the cultivation of the proposed commodities in line with its Agricultural Commodity Ecological Area (ACEA) mapping.

With suitability ascertained, an off-take market was secured following which the farmlands and participating farmers were grouped into AgroGeoCoops® using the Know-Your-Customer (KYC), Know-Your-Farm (KYF) and Know-Your-Neighbour (KYN) principles for effective production and management.

With NIRSAL having also trained the farmers on Good Agronomic Practices (GAP), Group Dynamics and Financial Management, it meant that they were financeable, hence, each farmers' account was credited with the loan amount in accordance with the agreed Economics of Production. The fund was to take care of land preparation, certified seeds, fertilizer, crop protection products, and farm management. NIRSAL deployed its Credit Risk Guarantee (CRG) – with which it secured 75 percent of the State's risk exposure. It also included the Area Yield Index Insurance (AYII) which compensates farmers for shortfalls in expected yields.

A major achievement of this collaboration is the deployment of end-to-end mechanization for all farm operations. This

includes land preparation, planting, input application, harvesting and post-harvest management (PHP3).

The end-to-end mechanization approach has made it possible for an average of 4 Metric Tonnes of rice and maize to be harvested per hectare; approximately a 100 percent increase in yield per hectare vis-à-vis the national average of 1.8 to 2 Metric Tonnes for both commodities. This invariably has doubled the farmers' incomes.

The NIRSAL-facilitated project is an important component of the plan of the Edo State Government under His Excellency, Governor Godwin Obaseki, to create 200,000 jobs for the people of Edo State through modern agriculture.

Governor Obaseki's resolution to partner with NIRSAL was conceived in the wake of the successful piloting of the organisation's FAM-SMART Model in Ossiomo Industrial Park on Sapele Road in 2018. He had since pledged full support and commitment to the partnership with NIRSAL. His government provided land, funds and training for farmers as part of its commitment.

NIRSAL is hopeful that the success being recorded with Edo State would serve as an example for other Governors to follow in exploring pathways for sub-national economic growth.

## NIRSAL bags Outstanding Development Finance Institution Award from Businessday



*Frank Aibogun Publisher/Chief Executive Officer, BusinessDay; Aliyu Abdulhameed, MD/CEO NIRSAL Plc flanked by Executive Directors of NIRSAL Plc at the BAFI Awards.*

For the second year in succession, NIRSAL claimed the award for the Most Outstanding Development Finance Institution in Nigeria at the 6th BusinessDay Banks and other Financial Institutions Award (BAFI).

According to BusinessDay, NIRSAL is an outstanding national development finance agency that has tackled particularly complex and challenging financing concerns by revolutionizing the application of financing tools in service to development goals.

BusinessDay noted that, while NIRSAL's giant strides in the Agricultural Financing Value Chain has continued from year to year, its strident efforts to empower agribusinesses and smallholder farmers in the year under review led to the securing of a N3.5Billion loan commitment from Stanbic IBTC Bank, Union Bank and Sterling Bank which is being directed to 3,750 farmers across Benue, Ekiti and Niger States.

Also factoring in NIRSAL's nomination is the institution's plan to raise US\$391Million (N140Billion) in partnership with the World Bank's Agro-Processing, Productivity

Enhancement and Livelihood Improvement Support (APPEALS) project.

Aliyu Abdulhameed, NIRSAL's Managing Director/CEO, accepted the award on behalf of the organization, with honour and humility. He acknowledged that to be recognized for its efforts amongst several outstanding peers in the Development Financing space gave NIRSAL much pleasure and encouragement.

Empowering smallholder farmers remains NIRSAL's most important task as this institution holds the key to financial inclusion, women and youth employment, and the growth of rural economies.

NIRSAL Plc. is a US\$500Million Non-Bank Financial Institution wholly owned by the Central Bank of Nigeria and designed to redefine, measure, re-price and share agribusiness-related credit risk. It specializes in structuring agricultural value chains from end to end with technological innovations to present de-risked, high-returns investment environments to global finance.









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