

NIGERIA'S AGRICULTURE PROMOTION POLICY (APP) 2016 – 2020): PERSPECTIVES AND EXCERPTS FROM THE POLICY DOCUMENT.

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Introduction

The Agriculture Promotion Policy (APP) was developed and approved by the Federal Government of Nigeria as the national policy framework for driving the growth and development of Nigeria's agriculture sector over the period 2016 - 2020.

The policy is the successor of the Agricultural Transformation Agenda (ATA) which was implemented over the period 2011 and 2015.

Goal of the APP

The overall aim of the APP is to unlock the full potential of Nigeria's agricultural commodity value chains. Specifically, the APP seeks to:

- produce enough fresh and high-quality foods for the Nigerian market; and
- serve the export market successfully and earn foreign exchange.

Key Challenges APP sought to Address

- Instability of agriculture policy framework driven by high rate of turnover of programmes and personnel.
- Poor implementation of political commitments to international protocols or conventions agreed to with other members of the comity of nations (e.g. Maputo/Malabo Declaration, CAADP).
- Poor agricultural technology.
- Infrastructure deficit (e.g. roads, railroads or irrigation dams, etc.).
- Poor access to financial services that enable farmers to adopt new technologies, improve market linkages, and increase their resilience to economic shocks.
- Institutional reform and realignment

- Many Federal and State agricultural institutions are not actively pursuing their mandates.
- The system ignores Local Government Areas where majority of agricultural activities take place.

Linkage between ATA and APP

- The implementation of ATA was built on the principle that agriculture is a business.
- In order to deepen the gains of the ATA, the APP was also formulated with the same principle.
- The main priority of both policy documents is to “restart the clock” and reintroduce the Nigerian economy to sustainable agriculture centred on business-like attitude driven by the private sector.

Shortcomings in ATA which APP was designed to address.

- Input Supply
 - ATA has many leakages from farmer registration and data capture to supply and distribution mechanism leading to sharp rise in indebtedness to banks.
 - Insufficient access to improved variety seeds e.g. there is still a 300,000MT gap between demand and supply of seeds.
- Financing
 - Credit access (particularly for smallholders) remained poor.
 - NIRSAL’s 2013 change in credit guarantee rules disrupted market for agriculture financing until mid-2015 when rules were reviewed again.
 - Backlog of unpaid GES loans (estimated at NGN39B) also slowed down bank lending.
 - Of the approximately \$8 billion in domestic and foreign investor commitments often cited, only limited volumes actually moved from idea to reality.

- Infrastructure & Logistics
 - Investment inflows into infrastructure and midstream logistics (e.g. warehouses, storage, processing systems, etc.) remained rudimentary.
 - Staple crop processing zone (SCPZ) strategy did not yield the desired results.
- Production
 - Growth in food production remained limited due to gaps in input supplies.
- Market access
 - Post-harvest losses still an issue (though, improving moderately).
 - Illegal food imports remained an issue, depriving farmers of market opportunities.

Overarching Objectives of the APP

- Food security
- Import substitution
- Job creation
- Economic diversification

Specific Objectives of the APP

- Grow the integrated agriculture sector at 1x to 2x the average Nigerian GDP growth rate for 2016 – 2020.
- Integrate agricultural commodity value chains into the broader supply chain of Nigerian and global industry.
- Promote the responsible use of land, water and other natural resources to create a vibrant agricultural sector offering employment and livelihood for a growing population.
- Create a mechanism for improved governance of agriculture by the supervising institutions, and improving quality of engagement between the Federal and State Governments.

- Promotion of agricultural investment;
- Financing agricultural development programmes; and
- Research for agricultural innovation and productivity.

Principles of APP

1. Agriculture as a business – focusing the policy instruments on a government-enabled, private sector-led engagement as the main growth driver of the sector. This essential principle was established in the ATA and will remain a cardinal design principle of Nigeria’s agriculture policies going forward.
2. Agriculture as key to long-term economic growth and security—focusing policy instruments to ensure that the commercialization of agriculture includes technologies, financial services, inputs supply chains, and market linkages that directly engage rural poor farmers because rural economic growth will play a critical role in the country’s successful job creation, economic diversity, improved security and sustainable economic growth.
3. Food as a human right – focusing the policy instruments for agricultural development on the social responsibility of government with respect to food security, social security and equity in the Nigerian society; and compelling the government to recognize, protect and fulfil the irreducible minimum degree of freedom of the people from hunger and malnutrition.
4. Value chain approach – focusing the policy instruments for enterprise development across successive stages of the commodity value chains for the development of crop, livestock and fisheries sub-sectors, namely input supply, production, storage, processing/utilization, marketing and consumption. Building complex linkages between value chain stages will be an important part of the ecosystem that will drive sustained prosperity for all Nigerians.

5. Prioritizing crops – focusing policy on achieving improved domestic food security and boosting export earnings requires a measure of prioritization. Therefore, for domestic crops, the initial focus in 2016 – 2018 will be expanding the production of rice, wheat, maize, soya beans and tomatoes. For export crops, the initial focus will be on cocoa, cassava, oil palm, sesame and gum Arabic. In 2018 onwards, the export focus will add on bananas, avocado, mango, fish and cashew nuts. Investments in closing infrastructure gaps to accelerate productivity and investment in these crops will also be sequenced to reflect capital availability and management attention. Food Security Import Substitution Job Creation Economic Diversification
6. Market orientation – focusing policy instruments on stimulating agricultural production on a sustainable basis, and stimulating supply and demand for agricultural produce by facilitating linkages between producers and off takers, while stabilizing prices or reducing price volatility for agricultural produce through market-led price stabilization mechanisms (commodity exchanges, negotiated off-take agreements, extended farm-gate price under value chains coordination mechanisms, agricultural insurance, etc.)
7. Factoring Climate change and Environmental sustainability – focusing policy instruments on the sustainability of the use of natural resources (land and soil, water and ecosystems) with the future generation in mind while increasing agricultural production, marketing and other human activities in the agricultural sector.
8. Participation and inclusiveness – focusing instruments on measures to maximize the full participation of stakeholders including farmer’s associations, cooperatives and other groups, as well as NGOs, CBOs, CSOs, development partners and the private sector. This places a premium on the role of these organizations or groups as agents of economic change in general and agricultural

economy in particular, thereby drawing benefits from their policy advocacy roles as partners to and watchdog of government.

9. Policy integrity – focusing policy instruments on measures for sanitizing the business environment for agriculture, in terms of accountability, transparency and due process of law, ensuring efficient allocation and use of public funding and fighting corruption on all programmes involving public resources. This also applies to compliance with international commitments, protocols and conventions that Nigeria is a signatory to.
10. Nutrition sensitive agriculture – focusing policy instruments on addressing the issues of stunting, wasting, underweight and other manifestations of hunger and malnutrition with particular reference to the vulnerable groups, which include children under 5, nursing mothers and persons with chronic illness and disabilities.
11. Agriculture’s Linkages with Other Sectors – focusing policy instruments on the connected relationship between agriculture and other sectors at federal and state levels, particularly industry, environment, power, energy, works and water sectors. Within this overall set of policy principles, the Federal Government will concentrate on providing an enabling environment for stakeholders at federal and state level to play their distinctive roles. The policy emphasis will be on providing a conducive legislative and agricultural knowledge framework, macro policies, security enhancing physical infrastructure and institutional mechanisms for coordination and enhancing access to adequate inputs, finance, information on innovation, agricultural services and markets.

Organizing Teams for APP

Theme	Sub-theme	Summary of Expected Result
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Productivity enhancement	Access to land	Land mapping and inventory, farmers registration and titling, expansion of land and land collateralization
	Soil fertility	Increased fertilizer availability and usage by farmers, Improved soil testing, soil restoration and erosion control.
	Access to information and knowledge	Training and multi-stakeholder coordination, improving extension service systems and information database management.
	Access to inputs	Agro-chemicals, Vet-services, High yielding seeds, High quality livestock and improved farm implements
	Production management	Irrigation equipment development and water conservation

	Storage	Storage improvement and maintenance, mycotoxin testing Improvement in processing facilities.
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	Processing	Export promotion, domestic consumption awareness and quality
	Marketing	
Crowding in private sector investment	Access to finance	Expand guarantee and risk schemes, rural access point, anchor borrower program for farmers
	Agribusiness investment development	Forum to address agribusiness investment constraints.

Federal Ministry of Agriculture and Rural Development: Institutional realignment.	Institutional Setting and Roles	Multi-sectoral coordination
	Youth and Women	Technical and vocational programs, entrepreneurship expansion
	Infrastructure	Mechanization, electricity and transportation systems
	Climate Smart Agriculture	Climate smart agriculture

	Research and Innovation	Strengthen ARCN and empower NARS and private research systems including academia
	Food, Consumption and Nutrition Security	Food storage reserves and school feeding programs

Successes and Challenges of APP

Policy Thrust	Objectives	Indicators	Achievement (s) as of 2019	Defined Gap (S)
Agriculture as a Sustainable business	Promote agribusiness Sector to optimally play its driving role for increasing productivity, and jobs in agriculture and food system in Nigeria.	Decrease in volume of imported staple crops by 5 per Cent per annum;	Rice = 5.74%, Maize = 1.3%, millet = 9.21%, sorghum = -0.83, Cassava = -4.7%	There is still huge gap between demand and supply of major staples
		Reduction in Rural unemployment from 25.6per cent (2011) by 2 percent per annum;	Unemployment rate had reduced from 25% to 23.2%	Far from reaching the target
	Catalyze establishment of price support mechanisms and supply-security;	- percent increase in loan guarantees; percent of all credit available to agriculture;	In partnership with Central Bank and Commercial FGN had guaranteed farmers credit facilities	There is need to relax the requisite conditions for credit access

		- number of rural access points	9% of the loanable funds in commercial and public banks is dedicated to agriculture	Farmers and other actors have not benefited fully from such declaration due to stringent loan conditions
	Promote access to agro-processing through both public intervention and facilitation of huge private sector investment;	- percentage increase in formal credit available to farmers;	There was no significant improvement in budgetary allocation to agriculture since 2015	The CAADP declaration of 10% budgetary allocation has not been achieved
		- percentage increase in sector funding as portion of national budget;		The set target of 100 million jobs during the span of ten years is far from actualization
	Partner with States to drive innovation and results via PPP, special incentives, and technical advisory grants;	- number of youth / women trained annually;	More women and youth were trained through N-AGRO and APPEALS program	Majority of farmers in Nigeria are still using farm save seeds
		% of farmers who have access to quality seeds	Farmers gained improved access to certified seeds	There is need for deliberate effort to empower more women and youths in agriculture
		-percent increase in seed capital available to	There is substantial increased in the number of women	

	<p>Foster multi-stakeholder mechanisms and system to enhance collaboration and synergies; Review and ensure institutionalization and effective implementation of women and youths programmes; Build capacity of women and youth's in entrepreneurship, including support to start entrepreneurial ventures, technical training and access to financial services; Promote incentives for commercial and microfinance banks to develop</p>	<p>entrepreneurs; and percentage change in the number of women and youth entrepreneurs</p>	<p>and youth who have become entrepreneurs in the country between 2015 and 2019</p>	
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	<p>appropriate financial products relevant in rural areas for farmers, women and youths; Provide incentives to mop excess agricultural commodities or farm outputs to encourage continuous production among farmers.</p>			
<p>Agriculture as a key to long-term economic growth and development</p>	<p>Boost food exports and promoting forward and backward linkage of agriculture with other sectors in the economy with stronger private sector participation.</p> <p>Improve access to basic social amenities and strengthen community-based</p>	<p>-per cent reduction of loss during harvest and post-harvest storage.</p> <p>Growth in volume of exported Agricultural products by >5per cent per annum.</p> <p>Decrease in volume of imported staple crops by >5per</p>	<p>Quality equipment and machineries for storage and postharvest handling were provided to farmers through various programs and projects which led to reduction in postharvest losses</p> <p>There was 4% increase in agricultural export (₦150B)</p> <p>Importation of</p>	<p>Postharvest loss is still a major issue in cash crops (sesame, soya bean, vegetables and horticultural fruits)</p> <p>The target has not yet been achieved</p> <p>The goal of import substitution and foreign exchange earnings has not yet been achieved</p>

	organizations to enhance quality of life of rural dwellers.	cent per annum.	staples such rice and corn had reduced significantly between 2016 and 2019 as a result of improved local supply and promotion integrated rice processing clusters	
Food as a human right	Ensure national food and nutrition security through adequate availability of safe and nutritious food at affordable prices for rural and urban population in Nigeria at national and household Attain Food Security through self-sustaining growth and position Nigeria as a net food supplier	Expansion of irrigable land by >85 per cent per annum. Increased share of irrigable land (from low of <10per cent) Growth in volume of exported Agricultural products by >5per cent p.a. Increased in volume of domestic food consumption by 5per cent per annum. Statistic (data) to	FMARD and FMWR in collaboration with World Bank have collectively expanded the irrigable land in most of the existing irrigation scheme in the country The volume of export of agricultural commodity has been increased since 2016 The volume of the local supply of major staples food crop have increased since 2016 (Rice = 5.74%, Maize =	The target of developing 5 million hectares of irrigable land has not yet been achieved The policy target has not been realized More efforts need to be put in place to boost the production and value addition of some of the major staples such as cassava, rice and maize Prices volatility of food crops remains a key concern

		Link stability of food prices with the operation of the Food Reserves	1.3%, millet = 9.21%, sorghum = -0.83, Cassava = -4.7%) There was no direct link between food prices and food reserves in the country, more work needs to be done to achieve this objective.	
4. Value chain approach in all aspects of agricultural production	Strengthen research and innovation on priority areas and disseminate outputs. Ensure conducive access to land in order to attract investments by small, medium and large scale farmers and processors. Maintain, enhance soil fertility and promote soil erosion control.	Expand infrastructure investment (irrigation) rural feeder roads (km per annum. Increased per ha cropping yield (per cent). Extend agricultural credits (Naira billion) -per cent of arable land irrigated -Utilization rates of existing	Capital investment in rural infrastructure particularly roads and irrigation facilities and off-stream logistics such as warehouses, storage, processing equipment are still rudimentary FGN in partnership with Central Bank and Commercial Banks have provided over 200B credit to farmers from 2013 to date Rehabilitation and	inadequate coordination among States, LGAs and FGN in planning and implementation of the policy target Late disbursement and inappropriate utilization of funds have led to poor loan repayments among beneficiaries To bridge the gap between demand and supply of food in the pace of climate change and population growth more irrigation scheme needs to be

Promote timely availability of quality inputs for agricultural production via privately controlled agro-dealer network.	dams -per cent annual change in water conserved vs previous year -per cent change in food stored for emergencies per annum.	expansion of existing water bodies in Fadama areas in the country More silos complexes are under construction while some were rehabilitated and concassed to Abuja	provided The target of making Nigeria's economy agriculture-based is not yet achieved
Promote optimized and sustainable use of water resources for agricultural production.	-per cent change in post-harvest food loss per annum. Increase in number of processing facilities	Security and Commodities Exchange Over 50 thousand small, medium and large-scale processing facilities have been established in the country since 2015	There is need for more efforts to develop the capacity of actors along the value chains agricultural commodities
Reduce pest and disease in crops. Animal and fishery subsector.		to date particularly for rice and dairy enterprises	Funds, capacity building and FGN attention is needed
Simulate domestic production of Equipment.	-per cent annual change in agric. export income		More funds, capacity building, and quality control need to be strengthened
Enhance standardization of agro Technology.	-percent annual change in agric. domestic income	There was 4% increase in the total agricultural export since 2016 to date	FGN and States governments need to collaborate to expand the activities of Abuja
Target research to develop appropriate	Enforce quality standards, food	Farm income constitute 65% of	Commodity Exchange to cover 36 states and FCT

	<p>machines & equipment. Promote private-sector led mechanization services as well as cooperative solutions for tractor and equipment hiring system.</p> <p>Enhance availability of proper methods for safe and effective storage (small-medium large scale storage).</p> <p>Promote provision of adequate infrastructure (energy/ water/ roads) around high agricultural produce areas and coordinate with MDAs and States on power supply and water access.</p>	<p>safety for markets that ensure emergence of modernized, safe processing zones.</p> <p>Enhances processing capacity and increase the quality and volume of food processing in Nigeria</p> <p>Enforce quality standard, food safety for markets that ensure emergence of modernized, safe processing zones.</p> <p>Enhances access of agricultural produce to domestic and international markets.</p>	<p>the total household income of the rural dwellers out of which large chunk comes from sales of agricultural products</p> <p>Staples Crops Processing Zones were established in in the country</p> <p>FGN in partnership with CBN and Commercial Banks have made funds available for credit to SMEs aimed at boosting processing of priority crops in the country</p> <p>Access to international markets among farmers remains a key constraint to many farmers in the country.</p>	
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	<p>Enhance processing capacity and increase the quality and volume of food processing in Nigeria.</p> <p>Enforce quality standards, food safety for markets that ensure emergence of modernized, safe processing zones.</p> <p>Enhance access of agricultural produce to domestic and international markets</p>			
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Summary

APP was implemented in Nigeria from 2016 – 2020. The country has put together another development plan for the agricultural sector. This is themed ‘National Agricultural Technology and Innovation Plan’. The new plan is expected to be implemented between 2021 and 2024.

References

1. The Agriculture Promotion Policy (2016 – 2020) Building on the Successes of the ATA, Closing Key Gaps. Policy and Strategy Document of the Federal Ministry of Agriculture and Rural Development.
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