COMMUNIQUE

AGRICULTURE SUMMIT AFRICA 2019

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The 2019 edition of the Agriculture Summit Africa was convened at the Congress Hall, Transcorp Hilton Hotel, Abuja, Nigeria with the theme, ***Agriculture: Your Piece of the Trillion-Dollar Economy.***

In attendance were: His Excellency, Senator Atiku Abubakar Bagudu, Chairman Presidential Task Force Committee on Rice and Wheat Production and Vice Chairman National Food Security Council, Her Excellency, Dame Pauline Tallen, Honorable Minister for Women Affairs, Her Excellency, Hajia Halima Bello Masari, wife of the executive Governor of Katsina State amongst a host of other delegates and speakers.

The Vice-President, Prof. Yemi Osinbanjo, The CBN Governor, The Federal Minister of Agriculture and Rural Development and the Executive Governors of Kebbi and Niger State were represented.

OPENING

Asue Ighodalo, Chairman, Sterling Bank, welcomed the delegates to the Summit and introduced the theme of the summit. He spoke about the successful 2018 Agriculture summit and how it has reinforced the role agriculture plays in the development of Africa and the world over. In highlighting the theme, he spoke of its inspiration stemming from the World Bank's projection that the agricultural sector will exceed 1 trillion dollars within a decade and will facilitate debate on key issues including access to capital by investors across the value chain, access to electricity, better technology and digitization methods and well irrigated land to grow high-value nutritious foods. This made it necessary for the summit, which provided the platform to allow for discussions amongst players in the industry.

He stated that the commodity of agriculture remains the key focal area that could trigger double digit growths that needs to be achieved in the Nigerian economy. However long-term development is a key to this growth.

Despite this potential, he said, there was concern that agriculture did not seem to attract adequate funding where only 2-3% of available funding was being utilized for such development. He was convinced that achieving this was very possible. He however stated that Sterling bank has shown its commitment to the development of agriculture by committing 10% of its loans portfolio to agriculture and has earned several awards. The rationale being that access to finance is key to harnessing the agriculture potential in the country and in Africa

Mr. Ighodalo intimated that this year's summit tabled a more ambitious attempt at achieving the growth potential of agriculture by bringing together government, other financial institutions as well as entrepreneurs and other players in the agriculture sector. The goal, he said, is to rejuvenate Africa through agriculture which the continent is rich in. He believes Nigeria could be the food basket of the world as a huge potential exists within our borders despite the trend of food loss. Devising a sustainable means of feeding our nation and having extra to export was important. "Agriculture" he said, "can be a trillion-dollar sector - a space to watch and Sterling Bank has identified this sector as one of the priority areas of focus and have committed a lot of resources to it".

In conclusion, Mr. Ighodalo alluded to the fact that the private sector also plays a role in promoting the development of agriculture with Sterling Bank taking the lead in this drive and recommended that dependence on the government should become a thing of the past to move the industry forward.

The MD, Sterling Bank, Abubakar Suleiman spoke next. He started off by talking about the ongoing conversation of agriculture not being very much about agriculture but about food security, water, trade, foreign reserve, employment, food itself and over 200 million Africans that are starving. He stated his excitement about the out pour of interest to have this conversation. Every civilization, he observed, have had this discussion about food security which Africa is yet to have done a great job of.

He also observed that the issue was majorly about productivity and that last year Sterling Bank was about helping farmers achieve greater productivity. He said the thrust this year was to empower farmers to compete globally which he said, is key to national development. "This is Sterling Bank's drive: doing all within our power to push the development of agriculture" Mr. Abubakar stressed.

He promised that ideas would be implemented as was the ideas from last summit, particularly using technology to advance agriculture. He also said that Sterling Bank is committed to having a Nigerian farmer's radio to reach those without broadband or smartphones and are currently broadcasting to 30 states in the nation. The objective, he said, is the last mile: making food more affordable, providing financing, and making the basic quality of life affordable so the farmer would be able to focus on productivity.

Goodwill messages

Goodwill messages from the Representatives of the Vice President, Professor Yemi Osinbanjo and Kebbi state Governor were delivered, both, commending the thrust of Sterling Bank's efforts and her management and staff.

The Kebbi State Governor Senator Atiku Bagudu stated that the Federal Government was committed to the agricultural sector and said that the FG was willing to engage stakeholders at all levels of the sector as the President had played host to farmers and stakeholders on a regular basis.

Senator Atiku noted that the presidential fertilizer initiative had solved the problem of adequacy and affordability over the years.

The Governor pointed out that less than 2% of the entire Financial Loan portfolio of Nigeria is in Agriculture stating that Sterling bank alone had put about 10% of its entire loan portfolio into agriculture He stressed that banks need to commit more of their loan portfolios to agriculture as evidence had shown that investment risks in the sector were less when compared to other enterprises seeking bank loans.

Senator Atiku said that interactions with Sterling Bank over the last three years had shown how much value there was to unlock in the sector. He mentioned that the sector was great for investment growing at about 38% to 50% and the State of Commodity Market Report put the sector growth at $1.6tn.

According to the Governor, the ABP was a clear example as this program alone had disbursed over N180bn to about 938,000 SHFs covering over 1 million hectares of land. He said that the SHFs should be supported to enable them compete globally by guiding them through disruption, assisting them with accounting and Financial Engineering.

He said that trade in the sector was the most distorted globally as successful countries put up barriers to make it hard for other less successful countries to profit and grow in the trade.

Senator Atiku said that there was need for the country to allocate more resources to agriculture stating that the 2019/2020 Agriculture budget alone for Brazil was $57.7bn. He said this will increase the sector's contribution to the national economy and possibly raise the growth rate of the Economy to double digits.

Senator Atiku noted that peasant farmers are in tens of millions in Rural Areas and those who think in the nation must rise and make the task easier and move them from poverty and allow communities make money. He said that Nigeria can attract economic growth from the sector mentioning that the fishing sector alone can absorb up to N20bn in investments.

The Senator concluded by saying that without a measure of local Economic action, we cannot absorb international Economies and take a share of the $1T Economy.

The Honorable Minister for Women Affairs, Paulin Tallen in her goodwill message, commended women entrepreneurs in the sector, stating that the ministry of agriculture is key. The role of women farmers she stated could not be understated being that women were the most productive and highly committed to the development of the industry.

FIRST KEYNOTE ADDRESS ON THE THEME: AGRICULTURE – YOUR PIECE OF THE TRILLION DOLLAR ECONOMY, DELIVERED BY DR ADETUNJI OREDIPE, SENIOR AGRICULTURE ECONOMIST, WORLD BANK.

In his address, Dr. Oredipe, emphasized the huge agribusiness potential that existed in Africa which, with a commitment to boost could offer a 3-fold increase in, job opportunities (greater prosperity), less hunger and accelerated progress for African farmers to compete globally. Despite the wanton neglect of the agricultural sector when Nigeria's economy became increasingly dependent on oil, he suggested commitment-backed solutions to reverse the trend of woes trailing the economy.

He said it had become necessary to articulate a clear vision to "*achieve a hunger-free Nigeria, through an agricultural sector that drives income growth, accelerates achievement of food and nutritional security, generates employment and transforms Nigeria into a leading player in global food markets*". In doing this, our vision he said, should be to revive the rural economy by transforming Nigeria into an agriculturally industrialized economy, create wealth, jobs, and markets for farmers. He said we must adopt an ambitious agricultural promotion strategy, one that is focused on a combination of transformational policy reforms and private capital investments with a promise to expand the benefits to millions of Nigerians.

Dr. Oredipe said the government needs to revamp their current outlook about how agriculture works by inviting the private sector capacities to improve efficiency. He said there is need to focus on agricultural value chains and not just on increasing production as a mere boost in production will lead to wastages if there are no markets and no agro processing firms to rapidly absorb and mop up the increased yields. He noted that we also need to realize that it is extremely difficult to produce, process, and market at the same time and that it is better to specialize and pick a certain aspect to focus on admitting that this type of knowledge and understanding does not come easily.

Dr. Oredipe noted that Professionals in many industries such as medicine, education, information-technology, allied healthcare, engineering and many more need evidence-based knowledge and information to update their skills in order to compete globally. Access to information he said, is also becoming an integral part of agriculture as a core profession.

He rounded up his address with a call to "go out and act accordingly" having stressed that Nigeria as a country will need to intensify its investments in improving agriculture yield and integrating the value-chain over the next decade to effectively capture a significant share of the US$1 trillion market imminent in 2030.

SECOND KEYNOTE ADDRESS ON THE TRILLION-DOLLAR POTENTIAL OF THE AFRICAN AGRICULTURAL SECTOR, DELIVERED BY FATHER GODFREY NZAMUJO, FOUNDER, SONGHAI FARMS, REPUBLIC DU BENIN.

Father Godfrey in his address reiterated that investment in Agriculture had become very prominent in the development agenda of many African countries, joining the global thrust embraced by the SDGs to make fighting food security and hunger a priority.

However, the current agriculture model had become 'unavailable' and to attain the SDGs, action, he said, against existing issues surrounding land degradation must be integrated with job creation and poverty reduction measures aimed at harnessing the benefits of sustainable natural resource management towards increased national income, reduced food insecurity, broad-based and inclusive economic growth. These actions, he suggested involved embracing a radical paradigm shift that is systemic and involves learning basic principles of the workings of our planet to create a new regenerative Agricultural initiative - a process he referred to as reverse entropy (Syntropy) - at every level.

He suggested that agriculture and the trillion dollars we refer to is not "a cake to share but a cake to be baked". The 'how' he said, involved creating an agricultural ecosystem where the 5 fundamental capitals in agriculture (Human, Environmental, Technical, Social and Financial) remained sustainable and viable with no traps in the process.

PRESENTATION BY DR. ALIYU ABDULHAMEED THE MANAGING DIRECTOR NIRSAL

Dr. Aliyu noted that the discussions had been mainly about Agriculture and Financing. He said that bankers were interested in return on investments as they were holding funds in trust for and needed to give a good account of the funds.

He noted that even though it may be difficult for one SHF to obtain a loan from banks, it could be easier if about 100 of these farmers came together under an umbrella to access the funds as a body.

Dr. Aliyu noted that crops contribute a large percentage to our GDP and with honesty and Social Engineering farmers can be grouped and access large loans thereby contributing more to the GDP.

In conclusion, he called for an organized market and the need for every single element in the value chain to be financed together.

THIRD KEYNOTE ADDRESS ON FOOD SUFFICIENCY IN AFRICA; HARNESSING THE OPPORTUNITIES BY PROFESSOR NDUBUISI EKEKWE CHAIRMAN, FASMICRO GROUP, USA.

Professor Ndubuisi highlighted Africa's food challenges as:

- Commercial lending in Africa is less than 1%
- Average size of farmland is about 1.6 H which is so small
- It is very difficult to find a reason to invest in such a small unit
- Africa is yet to get into the exponential GDP increase like the US and China

He said that farmers must become business people and become business minded.

Professor Ndubuisi said that to get to the $1T goal, technology must play a big role. He introduced the ZENVOS technology which he said utilized technology to measure soil fertility, Vegetative Health, and analyze various data such as the prediction rainfall for a period of seven days.

He said that technology such as ZENVOS could help farmers make informed decisions based on results of data analysis thereby increasing yield and general productivity.

Professor Ndubuisi also mentioned the Z Manager, an electronic data software that can save up to 17% of total cost of fertilizer in the country by analyzing the soil to check what mineral is already present in the soil thereby making allowance to purchase just the mineral that is absent in the soil but necessary for growth of the particular plant.

In closing, Professor Ndubuisi stressed that farmers must transform from rural farmers to business minded farmers and utilize technology to achieve optimal results and partake of the $1tn Agricultural Economy.

PANEL DISCUSSIONS

Session One: Harnessing the Potential of the Trillion-Dollar Economy: Prospects and Opportunities

Moderator: Soji Apampa, Co-Founder CBI Innovations Limited

The discourse highlighted the need for a collaborative effort by investors, local players including financial institutions and farmers and other players across the value-chain in the agriculture sector. Promoting the utilization of technology was also highlighted as key to collecting data to achieve knowledge-driven agriculture. All of this was said to be essential to achieving the required scale to boost investor confidence.

Session Two: Unlocking the Potential of Commodity Exchanges in Africa.

Moderator: Agama Emomotimi, Securities and Exchange Commission

The representative of AFEX spoke on 'bridging the gap to access financing' which introduced the discussions on how to unlock the potential of commodity exchange in Africa. Partnerships and collaborative efforts again where highlighted as key to raising awareness and tapping into the vast opportunities that existed here.

One of such partnerships was introduced, a platform for commodities exchange and financing that harnesses technology to link together producers, buyers, aggregators and investors, SABEX, a collaboration between Sterling Bank, Afex and Binkabi. This would provide better access to financing as it makes loans easier to grant as well as provide better access to markets.

In this partnership, AFEX would provide the infrastructure, BINKABI would provide the technology while Sterling Bank would provide the necessary Finance.

Session Three: Tapping into Africa's Livestock Industry

Moderator: Prof. Eustace Iyayi, Registrar, Nigeria Institute of Animal Science

The speaker, Celestine Ayok, Founder Spring Diaries, spoke on 'Nigeria's context and way forward to unlocking its Economic Potential'. He indicated that the thrust of government policies was a major challenge to bridging the agriculture self-sufficiency gap. He suggested agro-pastoralism as the way forward for the Livestock industry.

Mr. Ibrahim Maigari in stating the need to include technology in livestock farming, noted that his organization, Livestock 247.com, had developed a livestock identification system which regulates the movement and enhances the traceability of animals globally from farm to plate.

Mr. Andrew Kwasari said that there was a need to transform the livestock sector and build a model for livestock transformation planning and a need to source for appropriate inputs and feed.

Professor Lampini said that their research is very fundamental for progress. He said the two issues to consider in livestock farming were the livestock and the feed. He emphasized the need to upgrade livestock animals by using animals that are of higher productivity. He said improving the genetics of an animal will demand an increase in feed quality thereby raising cost of production with improved breed.

Dr. Shamaki of the Livestock Veterinary Institute explained that about 20 lines of vaccines are available but the institute lacked production capacity. He encouraged private sector participation to enable the Institute to produce the already developed vaccines.

Dr. Shamaki said that about $22m is utilized for the importation of vaccines but this could be saved if they could access the necessary finance as technology was already available.

Dr. Amole said that there was a need for an innovation platform from where all stakeholders will converge & discuss issues concerning the sector.

In his contribution on how the small-scale producers can scale up, Dr. Ayo stated that they could be harnessed by doing proper coordination and aggregation and linking them up with processors.

In closing, Mr. Andrew Kwashi in answering the question of where the National transformations plan was said that it was at the level of implementation.

Session Four: Enabling the Agriculture Value-Chain - The Role of the Financial Institutions

Moderator: Lois Sankey, Director of Finance and Investment USAID

The key issue facing availability of funds for various parts of the value-chain centered around loan security and the ability of small holder farmers to pay back when due.

The challenge presented was the absence of a financial framework for funding specifically for agriculture as opposed to the generalized one that exists.

Despite the allocation of 10% of loans to fund agriculture by Sterling Bank, the absence of viability and scalability also poses a challenge, however this can be achieved through technological considerations and the commercial banks designing specific products for small holder farmers and other farmers along the value-chain.

The Moderator, Miss Lois Sankey opened by stating that the gap in sector financing for Agriculture in Africa was about $11b and about $11m year on year in Nigeria. This gap needs to be addressed if Africa must take its share of the $1T Economy by 2030.

Miss Anna in her presentation Titled; "A sustainable Opportunity for Commercial Banks in the Agricultural Value Chain" said that Africa can achieve its share of the $1T Economy in the Agricultural Value Chain by 2030, if it focuses on Impact Investments.

According to Miss Anna, Impact Investments are those Investments that generate positive, measureable Social & Environmental impact as well as Financial Returns.

She said that Africa accounted for 15% of the destination of the total impact Financial Investment Asset Under Management (AUM) in 2018 with majority of the investments made by the US, Europe, and by DFIs.

Miss Anna mentioned that certain criteria such as Mission Fit, Profitability, Sustainable Governance, Team and Scalability were necessary to determine if a sector would qualify and be selected to benefit from Impact Investments

She concluded by saying that the Agricultural Sector must strive to meet this criterion to attract Impact Investments and share in the $1T Economy by 2030.

Mrs. Shola Agolu of Unity Bank explained that for Africa to take its share of the $1T economy, there was need for the development of a different Financial frame work specifically for Agriculture. She said such a framework should be able to address output at the end of the process.

Mrs. Agolu said that Unity Bank has so far engaged about 1m SHFs in the past year and is considering moving towards engaging more off takers to enable them off take from SHfs.

In his contribution, Mr. Kudazi Gumunyu of FCMB said there was a need to allow SHFs use their lands as collateral to obtain loans. He expressed his disappointment at the fact that SHFs cannot use their lands as collateral for obtaining Bank loans and that banks usually want to get maximum interest for loans. He said that there was a need for a viable system for everyone involved.

Mr. Gumunyu stressed the need for innovations to solve problems in the Agricultural Sector. He mentioned innovations such as the Algorithm Lending which enables lending via mobile phones as one of such innovations that could be adopted by the sector.

Mr. Gumunyu said the sector could also leverage on the digital space for more productivity adding that the use of technology is very important. He concluded by mentioning that the land tenure systems should be revisited.

Mr. Gbenga Awe of Heritage Bank on ways on increasing the Bank's footprints as a financial institution said there was a need to revisit the farms and first determine what a typical farmer should look like. He said that the picture of a farmer as conceived by the majority is that of an unsuccessful person and therefore, portrays the sector as unattractive to many.

Mr. Awe said the nation must reframe its portrait of a farmer. He added that lending can be increased by providing a structure with all participants together in an Ecosystem in the lending process. He also said that there was a need for a thriving commodity exchange to take stock and match needs to supplies.

Mr. Awe concluded by saying that Banks always would not finance what they cannot see and there was need for the sector to convince the Banks that investments made are viable and not completely risky as is the perception currently.

Mrs. Bukola Awosanya of Sterling Bank speaking on the successes and challenges of financing farmers stated that, it was important to note that Sterling Bank is the pioneer Bank under the Anchor Borrowers Program (ABP). She said that even though the ABP started in a year when Nigeria was in recession with about 5,000 farmers, it could increase farmers yield from 1 to 2 tons per hectares to about 3 to 4 tons per hectares in the first year.

Mrs. Awosanya said that in the ABP, loans were given in the form of inputs and proceeds were deducted at the point of off taking by the off takers. She mentioned that the Radio program for enlightening farmers impacted positively on the outcome.

According to Mrs. Awosanya, the ABP programme which started from crops, livestock and poultry had now included aquaculture. She concluded by saying that opportunities abound in the sector and digitization had made things easier.

Mr. Gbenga Adelana speaking on efforts made by Wema Bank to increase its foot prints in the sector said that the bank was initially set up to support agriculture. He mentioned that the bank encountered some setbacks in this area but was now back on track with agricultural financing.

Mr. Adelana explained that even though the bank is not taking new entries at the moment, it is concentrating more on financing existing farmers.

Mr. Olawale of Union Bank while answering the question on whether the environment was enabled, said that the sector is well positioned to compete for the resources in the banking sector but that the SHFs as they are now are not the answer as there was a need for scalability in infrastructure, funding and technology. He mentioned that finance was an enabler/catalyst and there was a need for collaboration and a need to integrate farmers on a large scale.

DEAL ROOM

The MD/CEO of Sterling Bank announced the opening of the deal room which he said was set up in partnership with Nigeria Agribusiness Register, GIZ, Pallidium and some other organisations to provide an avenue for farmers to present their ideas and stand a chance of partaking in the N100m investment grant made available.

Farmers, whose ideas were successfully approved, could access the grants immediately.

Panel Session Five: Investment and Funding - Positioning Your Agribusiness to Attract Funding

Moderator: Richard Pelrine

The discussion focused on how agribusinesses, including the small holder farmers, would present themselves in order to attract funding. There was a consensus that individual agribusinesses and small-scale farmers would benefit from plugging themselves into groups to form Co-operatives to achieve better value-at-scale, whether at a National or Regional level.

Mr. Onyeka Akuma of Farm Crowdy said the platform was a digital agricultural platform that connected SHFs to investors. He said by simply accessing the APP, farmers could improve their business.

Mr. Onyeka said that there was a rise in the number of youth and women farmers and this could be improved by applying technology to the agricultural value chain. He said they intend to scale up to the big farmers as well.

The panelists agreed that the ability of agribusinesses to access funds was greatly enhanced by an ecosystem of collaborative effort along the value chain where each player was committed to honoring agreements.

Panel Session Six: Pioneering Effective and Sustainable Agribusinesses Models to Drive Value Added Trade and Export - AFCTA

Moderator: Hope Nyongo

The speaker, John Isemede expressed concern that the issue of poverty in Nigeria was ironical considering how rich the nation is with raw materials and particularly in agriculture. The greatest challenge seemed to be a lack of cooperation. It was suggested that there is need for a renewed focus on policy review to properly coordinate imports and exports.

The panel noted that the huge infrastructural deficit was already making pricing too high. It was also noted that there was a need for a stage by stage follow through process to prepare products for export. Terms of trade payments must be reviewed as well as the policy of innovation from the STI policy.

Session Seven: Gender inclusiveness in Agribusinesses - Youth and Women

Moderator: Olayimika Angel Adelaja

Key considerations here were the need for youth to engage in agriculture with pride, knowing they play a vital role in the development of the sector and the nation as a whole.

The discussions highlighted that in engaging women and youth, partnerships and collaboration was critical. Similarly, establishing market driven systems, education of the engaged to embrace upskilling and scale up productivity, lowering barriers of entry, de-risking and building a trade of pride were also mentioned as key ways to drive the inclusive engagement.

Session Eight: Disrupting Africa's Agriculture: Emerging Trends and Digital Innovations

Moderator: Carl Hickson

In this disruptive age, food security is driven by new science which leads to new products and new markets. These are affected by internal and external challenges fuelled by access to finance, cost of funds and pricing that affect the Small Holder Farmers negatively.

Session Nine: Preparing African farmers for the Trillion Dollar Economy- From a risk perspective

Moderator: Dr. Bala Magaji

Panelists at this session discussed how farmers can leverage technology to prepare them for the Trillion Dollar Agricultural Economy by 2030.

They agreed that farmers must get involved with agricultural extension services, practical collaborations, catalytic investments, taking business decisions and seeing agriculture as a business.

Farmers must also have access to insurance which will make them eligible to access more loans.

The panelists noted that Nigerians must be encouraged to buy locally produce and see farmers as credible people. They added that there was a need to develop tailor made solutions to the problems facing the sector and not use a one size fits all approach to problem solving.

Thank you.