

FERTILIZER SUPPLEMENT

APRIL | MAY 2022

AFRICA Forbes



BEHIND NIGERIA'S AGRICULTURAL REVIVAL

The Main Players Taking The Economy Forward



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Behind Nigeria's Agricultural Revival

Having inherited an economy propped on a single, mono-product leg, Nigeria's President Muhammadu Buhari collaborated with experts and has begun to revive the country's fortunes in agriculture.

“THE FUTURE IS VERY BRIGHT. THE FUTURE of agriculture in Nigeria has only just begun. We are only scratching the surface. In a few years, we are going to be the hub. Everybody will run to Nigeria. We have the arable land, and with the inputs of companies coming into the operations, the next frontier will be the processing - a development that will make us a net exporter of finished products. Then, we will be a better country,” said Thomas Etuh, leader of Fertilizer Producers Association of Nigeria (FEPSAN).

Etuh has been in the fertilizer blending business since 1989. He had experienced slips in fortunes via imported brands. As a partner, he organized his counterparts in response to President Muhammadu Buhari's call to rescue Nigeria's agricultural sector.

Blessed with arable land, Nigeria walked into decades of oil dollar-induced political and economic planning issues. The agricultural sector was abandoned. Staple foods were abandoned. Imported foods were embraced. Foreign brands were pervasive. Pineapples and spices (pepper) were imported from Benin Republic and Cameroon.

As the value of the naira searched for equilibrium against the dollar, Nigeria's forex capabilities slowly eroded. The mismanaged earnings from crude oil sales continued to decorate Nigeria's front doors of real economic challenges. The food importation expenditure, spurred by an abandoned local capacity development in agriculture continued to erode the earnings from crude oil. Between 2007 and 2010, the former Agriculture Minister of Nigeria and current President of the African Development Bank (AfDB), Akinwumi Adesina, said Nigeria spent a whopping \$628 billion on food importation.

At the top of the shopping list was funds invested in staple foods like rice, fish, sugar and wheat. Nigeria does produce these crops, but insufficiently to support the population. Years of depending on crude oil revenue and the soaring price of

imported fuel led to rising agricultural costs to produce food. Nigerians wanted petro-dollars. Even as Nigeria searched for investors, the picture of a fertile agricultural sector was hidden from the covers of glossy brochures that promoted government road shows. This has continued to impact the bargaining chips of the beleaguered local. It pushes the naira against the wall. The result was double digits inflation.

When Buhari was elected President on May 29 2015, Nigeria was on the verge. Buhari had barely settled when a hail of challenges confronted him. These hurdles included a drop in oil prices, the astronomical rise in commodity prices, and an increase in the cost of a bag of rice by more than 50%.

Fashioning a multidisciplinary solution

President Buhari would remember 2016 as the most challenging. Dwindling oil revenue, a global recession, narrowed national income stream, high living costs and an angry populace with meagre incomes were some of the things that faced Buhari. From 2016 to 2020, Nigeria survived two recessions. Experts blamed these on food shortages and the global slump in oil prices. The way out? Find ways to feed the populace, save foreign exchange, and balance the country's books. To achieve this, two solutions appeared: finance and fertilizers. Buhari needed a special purpose vehicle (SPV) to finance the agricultural sector. Fertilizers had cost Nigeria billions of dollars in Forex.

NUMBERS

\$350 million - Forex PFI saved

1.5 metric tonnes - Fertilizer volume PFIs produced annually

80% - Blending plants growth

250,000 - Employments

25% - Logistics growth impact

4 million - SHFs registered

Central Bank of Nigeria's intervention

The Central Bank of Nigeria's (CBN) Anchor Borrowers Programme was one of the interventionist instruments of President Buhari to revive Nigeria's agricultural sector. Launched on November 17 2015, the Anchor Borrowers created a link between anchor companies in the processing and smallholder farmers (SHFs) of the required key agricultural commodities. It provided farm inputs to SHFs. This is attempting to address Nigeria's negative balance of payments on food.

The program will also increase banks' financing, reduce agricultural commodity importation, conserve external reserves and increase capacity utilization. It will create a new generation of farmers, entrepreneurs and increase employment. At the launch program in Birnin Kebbi, Kebbi State capital, North East Nigeria, President Buhari expressed sadness over the billions of dollars Nigeria spent on food importation, food that can be produced locally. He said Nigeria wouldn't waste another trillions of naira on food imports.

To achieve this, the CBN created a fund. The Micro, Small and Medium Enterprises Development Fund (MSMEDF) holds N220 billion (\$5277 million). Commercial banks would disburse at a single digit interest cap to prequalified farmers at less than 9%. In July 2021, the Governor of CBN, Godwin Emefiele, said a total of 3,107,890 SHFs had benefitted. About 3,801,397 hectares had been cultivated. Twenty-one commodities were planted through 23 Participating Financial Institutions (PFIs) in 36 states and Federal Capital Territory.

"I would say that roughly about 80, 000 metric tonnes of cotton was produced by Nigeria farmers. In 2019, when the CBN intervened, it jumped to 125, 000 metric tonnes. In 2020, it increased to 136, 000," reported Anibe Achimugu, president of the National Cotton Association.

The President of Oil Palm Growers Association of Nigeria (OPGAN) Joe Onyiuke, highlighted the significant growth recorded in palm oil production. He noted that Nigeria has recorded a significant drop in trade deficits in the area palm oil imports.

"Before the revolutionary agricultural policies of the present government, we have recorded a \$500 million trade deficit annually. Now, this has improved to about \$400 million. We believe that by the end of 2021, the gap will further go down," Onyiuke stated.

Before the rice importation ban in 2016 by President Buhari, importation fed the country, in a nation with the potential capacity to feed Africa. From 2012 to 2015, Nigeria imported \$4 billion worth bags of rice. President Buhari deployed three strategies – rice importation ban, Anchor Borrowers Programme and a Presidential Fertilizer Initiative (PFI) – the increase Nigeria's rice production capacity skywards. Statistics indicate that local rice consumption is 7 million tonnes. Agricultural data specialist Gro Intelligence put Nigeria's rice output at 4.9 million ton in 2019, below local consumption.

Rice mills abound in Nigeria. Investors are happy. Sustained policy instruments and developments in electricity and transport will push Nigeria to provide 70% of the rice Africa needs. Distribution across the west, central and southern African regions is on the way.



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Benefits of PFI

When President Buhari was elected on May 26 2015, Nigeria had less than 10 fertilizer blending plants operating at less than 30% capacity. As of July 2021, Nigeria has 47. Reports say more plants will come. These plants will fuel a new league of industrialists. These industrialists are already shipping to Niger, Benin, Congo, Gabon, and the Equatorial Guinea. Unlike the government-led Anchor Borrowers Programme, PFI is a Public-Private Partnership agreement. The Office of the President of the Federal Republic and the National Sovereign Investments Authority (NSIA) led the government team. The Fertilizer Producers Association of Nigeria (FEPSAN) represented the private sector. Etuh said PFI was envisioned by President Buhari after he visited the Equatorial Guinea.

Etuh related that President Buhari had sought help from other countries in the areas of fertilizer and seedlings. One of the African presidents allegedly told Buhari: "How can you complain about fertilizer scarcity when you have TAK?" So, when the President Buhari returned to Nigeria, he asked for TAK. "That is how I got involved," Etuh said.

A committee comprising NSIA, office of the Chief of Staff to the President, National Security Adviser, Jigawa State governor, Mohammed Badaru (chairman of PFI Implementation Committee) and other individuals approved by the president, emerged. NSIA invested more than N221 billion (\$530 million) in PFI. NSIA managed the fund for four years. Prudent fund management helped the program.

According to Etuh, Nigeria is a net exporter of blended NPK fertilizers. President Buhari played an important role in the success of the program. The president brought the Moroccan state-owned company OCP Morocco, to join PFI.

In an April 2021 report, the NSIA saved Nigeria \$350 million in fertilizer subsidy. PFI has also created more than 250,000 jobs. Uche Orji, Managing Director of NSIA, said PFI has attempted to solve food insecurity, hunger and unemployment challenges. 

Sacrifices To Become Sustainably Competitive

In a Q&A, Thomas Etuh, leader of Fertiliser Producers & Suppliers Association of Nigeria (FEPSAN), speaks about the revolution in the fertilizer industry.



How did the Presidential Fertilizer Initiative start?

The conceptualization of the Presidential Fertilizer Initiative (PFI) started in 2015. I got a call from the Chief of Staff to the President, late Abba Kyari of the blessed memory.

The President had asked him to give me a call regarding the scarcity of fertilizer in the country. It was quite funny when the late Abba called me and said Mr. President will like to meet with me. Because I didn't know him, I said I am sorry. So having this in mind, I told him I was not looking for any government appointments or business. I said that I am not a politician. I hung up the phone.

Five minutes later, he called. I told him that if he didn't have a job, I could give him some fertilizers to farm and make legitimate money. But apparently, he understood. Five minutes later, he called again. By then, a friend of mine who was with me did a search on the Truecaller app. He confirmed that the number was actually the President's Chief of Staff. I then picked the call, I apologized. We both laughed. The rest is history.

What motivated you to negotiate for discounts with your components' suppliers – OCP of Morocco – and then pass the discounts to farmers?

When you look at the industry and this entire project, I played a dual role. As a manufacturer and blender of fertilizer. We had lots of blending plants which were set up by state governments. Most of these plants were moribund. We also had some private sector blenders that were moribund. This is Nigeria's reality.

Can you list other benefits that have are derived from the PFI program?

The major benefit is that we have domesticated production. We only import the raw materials. We cannot produce the raw materials locally. We import phosphate

and potash. These components make up only 33% of the raw materials needed for blending. The remaining 68% are available in Nigeria. This means we are conserving foreign exchange. These plants are operating in Nigeria. The plants have created jobs for Nigerians and the layers of the value chains. We have been able to create over 100,000 jobs.


How was the PFI program funded?

Most of the players that built plants did not do it with borrowed funds. People saw that the industry was growing. They saw the opportunities. They also saw the values that were being created. Then they decided to join. Many foreign investors have come in while a number of development finance institutions or DFIs have also collaborated with the players. Aliko Dangote attracted funding. Indorama got funding support from international lenders.

What have been the challenges of leading an association like FEPSAN?

Whenever a reform is coming into any field, there is always some resistance. In our case, you need to recognize that we had traders whose business was importation of fertilizers. The bulk of whom were briefcase businesses. They are strictly after profits. The group does not see any immediate profits in blending. Because blending involves hard work and proceeds come comparatively slowly. You do not expect people in such a place to not offer some form of resistance. But it is a sacrifice one has to make for his country.

Will the industry be liberalized in the future to allow importation if price increase?

You must realize that we are conserving forex and earning more. This means that in liberalizing, we will be trading off the foreign exchange gains which we have derived from the program. Our country needs to grow. Our country needs to create employment. I think no reasonable government wouldn't allow that to happen. 

Ripple Effects Beyond the Agricultural Sector

Mike Mornu, CEO of Continental Logistics Limited and chartered banker, shares his thoughts on the impact of PFI and agricultural policies on logistics businesses.



A S THE LICENSED COLLATERAL management company on the

Presidential Fertilizer Initiative, handling raw materials and managing

the consumption by the blending plants, we have been involved in the PFI program deeply, seeing the value this has been adding, and will continue to add to the Nigerian economy.

Substantial work went into the conceptualization of PFI. When you empower people and you give them the appropriate regulatory environment, what they will do will surprise you. The key is; appropriate policy, right environment, good input support and the assurance of ready market. If you guarantee the farmers that their harvest will be sold and you honor that contract, farmers would be encouraged to do more.

I think it was misplaced priorities for Nigeria to have depended on importation of food over the past years. We have all it takes to feed ourselves and the continent. The lands have always been here: farmers have always been here. So it was misplaced priorities, where policy should have targeted the farmers, and made agriculture the mainstay of the Nigerian economy. We relied too much and too long on oil, which is a depreciating asset.

However, I am happy that we have embraced a revival. Once we continue on the determined path that we currently are on, Nigeria will be great again. And the only way to achieve that is by institutionalizing the changes that has been made so far. When you institutionalize the changes that have been made, it would be difficult for a new regime to come and begin to upset the cart. The role of the national assembly is

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I have followed the PFI program since it was introduced in 2016. I can tell you it is creating ripple effects on other industries and sectors outside of agriculture.

also very important. For continuity purposes, laws and relevant regulations that will govern some of the policy measures that have succeeded, should be put in place. It will be difficult for incoming administrations to change by fiat what has been legislated upon.

I am in the logistics end of business of the fertilizer production and distribution process, and I can tell you that the initiative of government has positively impacted our portfolio as a sector. With the increase in the volume of raw material importation, with the increase in the number of blending plants, a lot of employment has been generated. You need logistics firms that would take not just

the raw materials to where they are needed, but you also need logistics firms that would take the finished product to the farmers.

We have been critical of the success of the PFI program. I can tell you that the contribution of logistics into these various activities is as high as 75% to 80%, because whether you have raw materials or finished goods it needs to get to either where it is being processed, which is the factory, or where it's being consumed, the end user. The benefits have been both ways and with the growth in the number and size of blending plants, the logistics business has also grown.

I can comfortably say that with the growth, year on year, we are looking at about 30% growth, in terms of the entrance of new logistics players into the industry.

I have followed the PFI program since it was introduced in 2016. I can tell you it is creating ripple effects on other industries and sectors outside of agriculture. The program has been restructured to hand the responsibility of funding the plants to the private sector. What this means is that the financial services market will have a big role to play and this will lead to the creation of new products for blenders. I also see the opportunity for the same financial sector to step into the Anchors Borrowers Scheme because the Central Bank of Nigeria (CBN) cannot continue indefinitely. **1**

Nigeria-Morocco Bilateral Relationship To The Rescue

The partnership engineered between Nigeria and Morocco provides example of how cooperation can help solve Africa's economic challenges.

AHEAD OF THE IMPLEMENTATION OF the African Continental Free Trade Agreement (AfCFTA), Nigeria and Morocco have taken the lead in showing the example of what is possible with enhanced intra-African economic collaboration. The growing collaboration between the two countries in agriculture looks like the best examples to copy, to maximise economic opportunities from the resources of the continent by the people themselves.

With the Federal Government of Nigeria channeling a lot of energy into exploiting and developing local capabilities in agriculture, part of the challenges needed to overcome is the paucity of quality agriculture inputs such as fertiliser.

To overcome this challenge, Nigeria needed to return to its golden days when it had fertiliser manufacturing plants spread across all corners of the country.

By 2011, two years after ascending the throne, the leader of the Kingdom and people of Morocco, King Mohammed VI, was already executing plans that will ensure the strengthening of the economy of his kingdom. Anticipating a surge in the demand of both Monoammonium Phosphates (MAP) and DAP, King Mohammed VI kicked off strategies for bigger DAP plants.

While King Mohammed VI was revving up the ante for Morocco's DAP production capacity, Nigeria's president, Muhammadu Buhari was mobilizing industry stakeholders on how to revive agriculture.

But then there was a challenge. Morocco had been out of the African Union since 1984 and thus the need to return to the fold.

"It is important to note that prior to the partnership with Nigeria on the supply of DAP, Morocco was out of the Organisation of African Unity (OAU), now known as African Union. However, with the collaboration with Nigeria and following other diplomatic efforts, the country was able to return to the AU through the assistance of President Buhari. Because of this partnership, the volume of trade between Morocco and Nigeria has quadrupled between 2016 and

2021. This has also improved the relationship between Nigeria and Morocco," said Thomas Etuh, FEPSAN and one of the country's lead negotiators in the DAP supply deal with Morocco.


The truth is that Nigeria has always had strong bilateral ties with Morocco. OCP Africa's CEO, Mohammed Hettiti pointed at this in an interview. Hettiti said there are a lot more to gain with increased cooperation.

"Morocco's relationship with Nigeria over the years has been largely cordial, though not strategically driven for the benefits of both nations. However, in recent times, the two nations have rekindled their relations. They are working together on the economic front to deliver prosperity to the citizens of both nations. As a testament to this, there are a couple of strategic initiatives. These initiatives are being worked on at bilateral levels. They are going to be beneficial to both nations," Hettiti said.

Since the initial meeting, the relationship has been taken a notch higher. Nigeria will undertake the building of gas pipeline project to Morocco. Morocco, on the other hand, is constructing a DAP plant in Akwa Ibom State.

"The Ammonium Sulphate plant that Morocco and Nigeria are building in Akwa Ibom State bears evidence of the trust that has been built between the two countries. The investment that is coming into Nigeria through this is worth \$1.5 billion," Thomas Etuh said.

The industrial plant will be completed in 2025. It is expected to produce annually 750,000 metric tonnes of Ammonia and 1 million metric tonnes of DAP. Two thirds of the Ammonia would be exported to Morocco. On the flipside, Phosphoric Acid would be imported from Morocco to produce DAP and NPK in Nigeria.

Morocco is not leaving this to rhetoric alone. In practical terms, a lot has been done. Across three states of the country, Morocco has built three state-of-the-art fertiliser blending plants. It has also been working with farmers to transform agriculture for economic empowerment. 



Business Partnering With Government

The rising price of fertilizers set the government on track to partner with business, enacting agricultural policies and ensuring production within Nigeria rose.

ENDURING PROJECTS HAVE FOUNDATIONS, NOT on complicated briefs and nebulous strategies, but rather on simple often common approaches. And the story of what has become one of the most successful projects in the history of Nigeria is no different – a sincere call to duty that almost immediately provided jobs, resurrected dead factories and took many Nigerians out of poverty.

President Buhari was worried that the price of fertilizer was still at between N9,000 (\$21.5) and N14,000 (\$33.5) per bag. He was unequivocal in his mandate to see government could make the prices more affordable and available for the Nigerian farmers. The Fertilizers Producers & Suppliers Association Of Nigeria (FEPSAN) was asked to make this happen. Buhari was in a hurry for results.

A committee emerged. One of the immediate challenges before the committee was how to balance the interests of the members of FEPSAN as businesses, and that of the Federal Government of Nigeria, as the guardian of the people's interests. While the former, by their orientation, were looking at profit maximisation, the latter was concerned about the common good.

Finding answers

63% of the raw materials used to make fertilizers are available in Nigeria. These include urea, a processed form of ammonia containing 46% nitrogen, produced in Port Harcourt. Limestone, the calcium input in fertilizers is also massively available in Nigeria. From the first stages, it was calculated that government will save over N72 billion (\$172 million) in Forex with initiatives directed at discouraging importation of fertilizers.

Partnership and leadership making the deal

FEPSAN returned to the PFI Committee with its proposal having harmonized all interests, and the challenge became how to create a seamless partnership with the government to ensure the success of the program. There was an urgent need to, among other things:

- Get the government to take the lead in negotiating discounts from Morocco, the world's biggest exporter of Diammonium Phosphate (DAP)
- It was also important to negotiate supply discounts from Belarus, another big exporter of Muriate of Potash (MoP)

As the arrowhead of this initiative, President Buhari went to work.

He led the negotiations with Morocco and on his invitation, King Mohammed VI, on Friday December 2 2017, paid a state visit to Nigeria. Prior to this, President Buhari had led the FEPSAN and other members of the PFI committee on negotiations designed to avail FEPSAN members of DAP at significantly discounted prices, values that would be passed on to Nigerian farmers.

Law to regulate quality of Nigerian fertilizer

In commencing the PFI program, the vision of government was to transform the business into a major part of Nigeria's economic growth plans. To make this possible, the need to have a strong legal framework to regulate the industry became imperative. Working with various government stakeholders, the Ministry of Agriculture, multilateral institutions, donor agencies and other relevant institutions, FEPSAN took the initiative that led to the enactment of the Nigerian Fertilizer Control Act 2019.

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PFI HAS DELIVERED THE FOLLOWING:

Securing supply of quality fertilizers for Nigerian farmers

Importation of fertilizers into Nigeria was easy. But it was also without oversight. Prior to the introduction of the PFI, any Nigerian with access to finance could bring in boatloads of this

critical agricultural input. Besides the huge costs to the government and people of Nigeria, there was also the major problem of quality assurance. Farmers merely needed fertilizers and spent huge sums of money purchasing them annually.

Import substitution and savings for the people

In 2017 alone, it was estimated that about \$300 million was to have been the foreign exchange spend on the importation of fertilizers into the country. This would have translated to about \$2.5 billion by end of year 2021.

Becoming a fertilizer powerhouse

Nigeria has grown its blending capacity from less than 10 blending plants operating at less than 50% capacity in 2016, to more than 40 plants in 2021, with a number of others still awaiting licensing to join the industry. **f**

Imports Decrease, Farmers Yields Increase

Olusegun Falade, Managing Director of Golden Fertilizer, a subsidiary of Flour Mills of Nigeria Plc, says the PFI program has grown the economy.



What is the core mandate of Golden Fertilizer?

We have been in this business of being a fertilizer company for close to 30 years now as part and parcel of Flour Mills of Nigeria Plc. It is one of the initial forays of Flour Mills as a group going into the agricultural revolution. And as of today, we started as a repackaging company, importing fertilizer and bagging it. Now, we are one of the top blenders of fertilizers. We have Golden Fertilizer Farmers' Friend.

What is your assessment of the Presidential Fertilizer Initiative?

The Presidential Fertilizer Initiative is a blessing to Nigerian farmers. I remember that I was one of those people that sat down at the beginning to see how we can package this so that the farmers can get fertilizer at an affordable price. Not only getting fertilizer but getting quality fertilizer at affordable prices, and also to checkmate the adulteration of fertilizers in Nigeria.

What informed the decision of Flour Mills to invest early along the vertical lines?

We knew right from the beginning that our product is basically an agricultural product. Importing wheat and putting it into the system in order to get the flour out for the Nigerian market. But we also looked at alternatives to ensure that we increase the local content and reduce importation dependency. One of the things that came to our minds was that, yes, anybody can get land. But if you do not have the right inputs, it's a big problem.

To what extent do you think this has supported your top line in terms of what you are known for, that is flour production?

Let me start with the maize and soya beans value chains. We

used to import roughly about 350,000 metric tonnes of maize into the country annually. But in the last three years we've only imported about 60,000 metric tonnes of maize. This then means that out of the 500,000 metric tonnes or thereabouts of maize that used to be imported, over 400,000 metric tonnes of maize was bought locally. It then means that all the activities, all the work we have been doing have assisted the farmers in increasing their yield, and more is available in the market for us to buy. You are creating jobs for them.

What inspired the cooperation that led to the success of the Presidential Fertilizer Initiative?

Look, I think the more businesses think about cooperation instead of competition, the better the business space will be. One of the major problems is farmers being able to get fertilizer when they need it. Farmers don't have money to buy fertilizer and stock. They want to buy it when they need it. One of the things that is destroying the industry is adulteration.

You mentioned something about areas of improvement. What possible areas of improvement are you envisioning?

Nigerian fertilizers industry is still at its infancy because what we are producing is just generic fertilizer like 11:15:15. There is more to fertilizer. There are specialty blends of fertilizer. There's a need to add micronutrients to fertilizer to improve the soil quality, to improve the yield and that is the area that we as Golden Fertilizer are investing for the future.

Can you compare in terms of what we have, what we had and what we could still have?

We cannot compare because what we are producing now is more qualitative than what we were importing. Remember, majority of countries like China and the rest bringing all those 15:15:15 will just produce something and call it all sort of names. Many people will bring 16:16:17 and they will label it as 15:15:15. Look at the composition. Sometimes they are not what they promised because they want to make money. 🇳🇮

Fertiliser Law, Assurance Of Global Competitiveness

For Olajide Aogo, Chief Executive Officer of Matrix Fertilisers Limited, the law enacted to protect and encourage local blending of fertilisers remains the toughest buffer President Buhari's administration has provided against reversal to mass importation.



THE SERIOUSNESS OF PRESIDENT MUHAMMADU Buhari's administration to strengthen

Nigeria's position as a major fertiliser hub on the continent was demonstrated with the passage of the National Fertiliser Quality Control (NFQC) Act 2019. The

Act was a deliberate government initiative to safeguard and protect the interest of the entire

Fertiliser Value Chain players such as manufacturers, producers, blenders, importers, distributors and the end user farmers in Nigeria.

Former Agriculture Minister, Sabo Nanono had said after the bill was passed that "the quick assent to Act by Mr. President goes to show the importance and commitment he attaches to the agricultural sector in general and his desire to help protect the investments of the Nigerian farmers, through the provision of this regulatory framework, aimed at guaranteeing the supply and distribution of quality fertilisers and other farm inputs to farmers across the country, at their doorsteps, at the right time, right place and right prices."

With the law in place, President Buhari's administration was able to build a strong legal blockade against the activities of briefcase businessmen who have been lobbying government for a return to the days of importation and subsidy. What the law has achieved for the industry is assurance of a ready local market for blended fertiliser and an opportunity for exportation, at least to African countries.

Chief Executive Officer of Matrix Fertilisers Limited, Olajide Aogo was certain that with such a law in place, the country was sure of meeting local and international standards of quality in fertiliser production.

"The passage of the fertiliser bill by the national assembly is meant to regulate the fertiliser industry to ensure that quality fertiliser is produced to meet local and international standards. Currently, what is produced in Matrix Fertiliser Limited can scale through any test anywhere in the world where inorganic NPK is used for fertilisation," Aogo said.

Matrix Fertiliser Limited (MFL) located in Kaduna State, North West Nigeria, was incorporated in 2018 as part of its contribution to food security and employment generation in Nigeria. The company, with an installed NPK blending capacity of One million metric tonnes per annum, is currently the leading fertiliser blending plant in the country, in terms of production of premium grade products, at competitive prices.

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With an array of different blends of fertiliser that includes the NPK 20-10-10, NPK 15-15-15, NPK 27-13-13 and crop specific special blends, it has built a rich client base ranging from state governments and leading farming corporations. Some of its clients include; Kaduna State Ministry of Agriculture, AFEX Nigeria, Olam Rice, Premier Seed, 1-Acre Fund, Capital Agricultural Development Ltd and AFEX Commodities Ltd. These corporations boast of a combined network of over 500,000 farmers.

"As a business, we follow the trends in the wider economic landscape and when President Buhari began showing interest in the revival of Nigeria's agricultural sector, we knew there were opportunities to significantly make our own contributions. Besides the potentials to grow further as a business, we also felt the need to join the call for the opening up of the agriculture space through employment generation and providing the impetus for farmers to begin to approach agriculture as a business," he stated.

"Nigeria has the capacity to provide the fertiliser needs of the entire African continent and even for some other parts of the world. We are blessed with Urea; we are blessed with deposits of limestone and other fillers used in the blending process", Aogo said.

Riding on the example and learning points from the PFI programme, he advised that the government should extend the same innovative approach to other sectors of the economy, insisting that the same trigger of massive economic growth will likely be experienced in those other sectors. **i**

Challenge Is Continuing To Grow

Young Babangida Jargaba has matured, running an integrated agriculture group that employs close to a thousand workers. He envisages greater fortunes for Nigeria through agriculture.

A SA PERSON, I WAS GREATLY INSPIRED TO embrace the agriculture program of this current administration. I must mention the Rice Farmers Association of Nigeria (RIFAN). They really encouraged me. Because their activities showed me that the government was very serious about agriculture. President Muhammadu Buhari has done so well in the agricultural sector. Since I was born, I had not seen any president in Nigeria that has supported agriculture the way President Buhari has done. I recall that in 2016, President Buhari said that the single season farming cannot sustain our country. He told us that we must work towards food security and not depend on the importation of food and other agricultural products.

The Presidential Fertilizer Initiative (PFI) has done tremendously well. Before the administration of President Buhari, the rice we consume in Nigeria was imported. Importation of rice was 100%, maize was 80% and it is the same with other crops. As you know, fertilizer is a major farming input in Nigeria due to the nature of our soil. Fortunately, the president has solved the problem of fertilizer through the Presidential Fertilizer Initiative. The Anchor Borrowers Programme has been useful too. It encouraged me to build a rice mill with a capacity of up to 320 metric tonnes of paddy in a day.

We have also built our blending plant so that we can participate in the fertilizer sub-sector of the agricultural value chain. I am from Funtua in Kastina State, northwest of Nigeria. I know that there was a fertilizer company built by former President Shehu Shagari's administration which is known as Funtua Fertilizer. In 1990, the plant was shut down. But when President Buhari came, the blending plant was resuscitated. So when we witness these things, we believe that President Buhari is serious about his agricultural policies and programs. Farmers and industrialists believe that the incumbent administration is serious about agriculture.

We have abundant fertile and arable land in Nigeria that should be attractive to farmers. If you plant 13 hectares of land and you cannot source fertilizer at a subsidized rate, you will not get the required high yield. But if we have fertilizer to apply to your crops, there will be abundance and we will have enough to spare to fuel exportation and the processing industry. This is the most practical way to generate the employment we talk about daily. It is happening in our own group. We have currently 820 skilled and unskilled workers in our factories. Ours is an integrated project. We have cotton ginning. We have an explorer cotton mill. We have a solvent extraction plant for crushing

soya seeds. The mill crushes 500 metric tonnes daily.

We also have a rice mill. We mill 320 metric tonnes daily. We have a blending plant. We blend 40 metric tonnes of fertilizer per hour. There is also a soap making factory. We produce both bath and laundry soaps.

The raw materials come from the vegetable oil that we refine. We also have a sack factory.

We are producing sacks for the farmers to package their farm produce. What we are doing at Jargaba Group shows that if we can explore the natural resources in the agricultural sector, Nigeria will be better than where we are today. I have witnessed this in practical terms.

That is why, even as I am appreciating the giant strides of the Buhari administration in agriculture, I am still imploring the administration to give attention to farmers. Because many of the farmers have demonstrated in practical terms that Nigeria can become an industrialized nation, using agriculture as the foundation. To do this, something has to be done to stem the insecurity challenges besetting the country. If we have sufficient security, the farmers will be more productive. **▶**



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Assurance Of Global Competitiveness

For Olajide Aogo, Chief Executive Officer of Matrix Fertilizers Limited, the law enacted to protect and encourage local blending of fertilizers remains the toughest buffer Buhari's administration has provided against reversal to mass importation.



THE SERIOUSNESS OF President Muhammadu Buhari's administration to strengthen Nigeria's position as a major fertilizer hub on the continent was demonstrated with the passage of the National Fertilizer Quality Control (NFQC) Act 2019. The Act

was a government initiative to safeguard and protect the interest of the entire fertilizer value chain players such as manufacturers, producers, blenders, importers, distributors and the end user farmers in Nigeria.

"The quick ascent to the fertilizer Act by Mr. President goes to show the importance and commitment he attaches to the agricultural sector in general and his desire to help protect the investments of the Nigerian farmers, through the provision of this regulatory framework, aimed at guaranteeing the supply and distribution of quality fertilizers and other farm inputs to farmers across the country, at their doorsteps, at the right time, right place and right prices," said Sabo Nanono, Agriculture Minister, after the bill was passed.

With the law in place, Buhari's administration was able to build a strong legal blockade against the activities of briefcase businessmen who have been lobbying government for a return to the days of importation and subsidy. What the law has achieved for the industry is assurance of a ready local market for blended fertilizer and an opportunity for exportation, at least to African countries.

Chief Executive Officer of Matrix Fertilizers Limited, Olajide Aogo, was certain that with such a law in place, the country was sure of meeting local and international standards of quality in fertilizer production.

"The passage of the fertilizer bill by the national assembly is meant to regulate the fertilizer industry to ensure that quality fertilizer is produced to meet local and international standards. Currently, what is produced in Matrix Fertilizer Limited can scale through any test anywhere in the world where inorganic NPK is used for fertilization," Aogo said.

Matrix Fertilizer Limited (MFL) located in Kaduna State, North West Nigeria, was incorporated in 2018 as part of its contribution to food security and employment generation in Nigeria. The company,

with an installed NPK blending capacity of one million metric tonnes per annum, is currently the leading fertilizer blending plant in the country, in terms of production of premium grade products, at competitive prices.

With an array of different blends of fertilizer that includes the NPK 20-10-10, NPK 15-15-15, NPK 27-13-13 and crop specific special blends,

“The passage of the fertilizer bill by the national assembly is meant to regulate the fertilizer industry to ensure that quality fertilizer is produced to meet local and international standards.

it has built a rich client base ranging from state governments and leading farming corporations. Some of its clients include; Kaduna State Ministry of Agriculture, AFEX Nigeria, Olam Rice, Premier Seed, 1-Acre Fund, Capital Agricultural Development Ltd and AFEX Commodities Ltd. These corporations boast of a combined network of over 500,000 farmers.

"As a business, we follow the trends in the wider economic landscape and when President Buhari began showing interest in the revival of Nigeria's agricultural sector, we knew there were opportunities to significantly make our own contributions. Besides the potential to grow further as a business, we also felt the need to join the call for the opening up of the agriculture space through employment generation and providing the impetus for farmers to begin to approach agriculture as a business," he stated.

"Nigeria has the capacity to provide the fertilizer needs of the entire African continent and even for some other parts of the world. We are blessed with Urea; we are blessed with deposits of limestone and other fillers used in the blending process," Aogo said.

Riding on the example and learning points from the PFI program, he advised that the government should extend the same innovative approach to other sectors of the economy, insisting that the same trigger of massive economic growth will likely be experienced in those other sectors. **P**

Cotton On To 100 Million Jobs

In an exclusive interview, Anibe Achimugu President of the National Cotton Association of Nigeria (NACOTAN), says President Buhari's intervention has led to gains in the industry with Nigeria moving from 500 to 700 metric tonnes cotton capacity.



When cotton was not part of the Anchor Borrower Programme of the CBN, I would say that about 80, 000 metric tonnes of cotton was produced by the local farmers. In 2019, it jumped to 125, 000 tonnes. In 2020, it increased to 136, 000.

Why is Nigerian cotton attractive to the international market?

There is a significant interest for Nigerian cotton in the international market. Nigerian cotton for instance, is adjudged to be

good for the production of denim. Because we do this short staple cotton, which we call 'same cut nine', which is farmed in the northwest. We also have 'same cut ten' which is medium staple cotton which is farmed in the north central. We equally have the non-staple cotton which is 'same cut eleven'. This is produced in the south west. We have also had the involvement of different states in Nigeria.

Initially, people thought that cotton was a northern crop but it actually started from the south west. This was when the British came. But now, obviously, we have the south east and even south-south are involved. So as we speak, we have 33 states identified as cotton producers. We are trying to bring them on board as much as possible. That is why we have varieties. These are for the international end-users; the spinners and textile mills.

In the past, subsistence farmers in the south east used to grow and spin cotton, but that is no longer the case these days. What happened?


To be honest, a lot has happened. What happened in the first instance was when the federal government of Nigeria decided to abolish the cotton board. The board was responsible for research,

input distribution and providing for extension services to farmers. But when it was abolished, the private sector was left to handle everything, and you know, it is not easy. But it is still a good idea because it should be private sector-driven, as it is in most countries. Except for our Francophone brothers and sisters, cotton is like oil to them. As oil is to Nigeria so is cotton to them. So it is a government enterprise entirely.

But I think that was part of the beginning so to speak. Rules and regulations were jettisoned. But added to that is the harsh operating environment where you have to provide your own energy. You know that electricity was quite stable in the past. Over the years, it has deteriorated. So providing your own power and smuggling have become a major challenge. When you look at that, and coupled with modernization, we cannot cope. So the production of cotton dwindled.

How has the government intervention in the agricultural sector enhanced production of raw materials?

I can give you statistics. That is an estimate from 2018 data. When cotton was not part of the Anchor Borrower Programme of the CBN, I would say that about 80, 000 metric tonnes of cotton was produced by the local farmers. In 2019, it jumped to 125, 000 tonnes. In 2020, it increased to 136, 000. That is the result of a deliberate action. We are also encouraging individuals with large parcels of land, especially people who are ready to be our partner. So that we can also utilize their farmlands for cotton. It is significant.

That is why we are looking at it as being very significant in terms of job and wealth creation for our nation. When you look at the African Continental Free Trade (AfCFTA) agreement, we cannot allow ourselves to become a dumping ground for any crop or product. So we must get ourselves together. I am happy that recently I was contacted by the secretariat in charge of the AfCFTA. The government is thinking about preparing the ground to make sure that Nigeria enterprises and economy is competitive and can compete internationally. This is good. 

Building Blocks Of An Agricultural Economy

Mohammed Hettiti, the CEO of OCP Africa, speaks to the benefits of increased collaboration between Nigeria and Morocco in agriculture.



Compare the relationship between Nigeria and Morocco to the past?

Aside from a few diplomatic disagreements in the past, Morocco's relationship with Nigeria over the years has been largely cordial. Though it was not strategically driven for the

benefits of both nations. However, in recent

times, the two nations have rekindled their relations.

They are working together on the economic front to deliver prosperity to the citizens of both nations. As a testament to this, there are a couple of strategic initiatives being worked on at bilateral levels which are going to be beneficial to both nations.

What triggered the relationship between Nigeria and Morocco that enabled your country's partnership with Nigeria on the development of the agricultural sector?

The visit of the King of Morocco, Mohammed VI, to President Buhari in December 2016 triggered this partnership. During the visit, the key points of discussion between both leaders was on the development of the agricultural sector. The leaders also discussed the building of the Nigerian-Morocco gas pipeline as well as the optimization of Nigeria's energy and mineral resources.

The discussions were followed with the brokering of a deal by the two countries on fertilizer production, construction of a gas pipeline from Nigeria through certain West African countries to Morocco. This will create a corridor for gas supply to Morocco and Europe.

The Presidential Fertilizer Initiative (PFI) appeared to have opened the door for a wider partnership with OCP Africa for



Well over two-third of the land in Nigeria is cultivable. Nigeria has an arable land area of 82 million hectares. Out of this, only about 32 to 34 million hectares representing 41% is being cultivated.

agricultural development in Nigeria. What is the structure of this transaction and what does it mean for Morocco?

The Presidential Fertilizer Initiative (PFI) was borne out of one of the many agreements signed during the visit of the King of Morocco, HRM Mohammed VI. The partnership between OCP and the Fertilizer Producers and Suppliers of Nigeria (FEPSAN) was signed. This involved OCP's commitment to supply Phosphate to Nigeria.

This will help to support the domestic blending of NPK fertilizer. This was started in 2017. The structure involves the Nigeria Sovereign Investment Authority (NSIA). This body is responsible for sourcing the basic raw materials required for blending.

What major impacts did you record in the first four years of this partnership?


In the last four years, OCP Africa has collaborated with several industry partners to rethink the route to growing Nigeria's agricultural output. Our company has made strategic investments in building the infrastructure that delivers on this objective. From our interests in blending plants that are coming up in strategic places in Nigeria, to helping Nigeria raise fertilizer production and supply capacity.

You have made direct interventions on farmers in Nigeria through some major programs. What are these programs?

Yes, we have. Some of the interventions are being executed through our chains of agricultural development projects such as OCP School Lab, Agribooster, Farm and Fortune Hubs, and a whole lot of research and development initiatives. We have undertaken these initiatives by working with crop mandate institutions, government agencies and ministries and other private organizations in agricultural development.

Do you think Nigeria has what it takes to be a major food production, processing and agro inputs hub in Africa and the world?

Nigeria has ecosystems. Nigeria has arable lands. Nigeria has yield gaps that can be exploited in creating a viable agri-economy. Well over two-third of the land in Nigeria is cultivable. Nigeria has an arable land area of 82 million hectares. Out of this, only about 32 to 34 million hectares representing 41% is being cultivated.

This shows that there is a lot of potential for fertilizer manufacturing. Nigeria holds enough potential for fertilizer manufacturing given the opportunities for the manufacturing of urea and ammonia from gas, which Nigeria has in abundance. 

Palm Oil Potential: The Power To Change Nigeria's Direction

Joe Onyiuke, President of Oil Palm Growers Association of Nigeria, sees a big future for the crop with the interventions of President Buhari's agricultural policies.



ONE CROP. OVER 100 YIELDS. WHAT KIND OF crop is that? A crop that has wonderful ingredients to produce multiple yields and produce multiple billionaires. Joe Onyiuke, national president of Oil Palm Growers Association of Nigeria (OPAGAN), said the palm oil value chain has the power to change Nigeria's direction.

"It is actually a golden crop. The value chain is enormous. We have over 300 value chains for one single crop. There is no waste. If you trace the history after the slave trade, the most important item that was traded within Africa and Europe was oil palm," Onyiuke said.

King Jaja of Opobo monopolized the palm oil trade during his reign in 1870-1887. Palm oil played a part in the Industrial Revolution. According to Josie Phillips in *Chinadialogue.net*, the Industrial

Revolution caused a surge in demand for palm oil in Europe and the need to secure reliable supplies led to oil palm plantations. With this, Lever Brothers' 'Sunlight' soap switched from animal fats to palm oil in 1897.

Before the mid-19 century, palm oil was produced by hand in West Africa, where the oil palm

“**Palm oil is a crop that gives so much... Palm oil is used daily for laundry, cooking, pharmaceuticals and baking.**

is indigenous and had been linked with local livelihoods for thousands of years. Phillips wrote that when the Atlantic slave trade was outlawed in 1807, the British encouraged traders to capitalize on pre-existing connections with dealers in West African interior and adopt palm oil as alternative commerce. Encouragement was reiterated in 1845 when the British government abolished duty on palm oil.

After the slave trade, Calabar port became the West Africa's palm oil trade hub. In 1870, palm oil was the primary export of many West African countries with production still dependent on semi-wild palm

groves and manual processing. This led to differing qualities of oil and supply was unreliable.

By then, palm oil was a basic material used daily in Europe. Manufacturers found it an ideal substitute for the animal-based fatty wax in soap and candle making. Why? The lather produced by palm oil-based soaps was satisfying. The candles were odourless. Palm oil was good as industrial lubricant to oil engine parts and tinplate production.

Onyiuke said palm oil has 300 value chains. These by-products are in cosmetics, food, construction and pharmaceuticals industry. "Palm oil is a crop that gives so much. There is no waste. Palm oil is used daily for laundry, cooking, pharmaceuticals and baking" he said. He added that if young Nigerians get involved in palm oil production, unemployment and insecurity would be addressed. For instance, he posited, a ton of crude palm oil – CPO – costs N650,000 (\$1,559). Multiply 650,000 by 100 tonnes and multiply that by 100 farmers. That is N6.5 billion (\$155.9 million) "This is the local and international market price," he said.

"We have a lot of fertile land. We have land growing naturally in West Africa and Nigeria is the main hub. The entire southeast and south-south, south-west and some parts of north central, even up north, the Taraba and Adamawa areas, palm oil grows freely without a care. We sidetracked this because of the crude oil. Palm oil will give us more employments than any other crop in the world because it is the only crop that gives you more oil than any other agricultural produce," Onyiuke stated.

Onyiuke said the association has taken up the gauntlet to reposition Nigeria in the palm oil global market.

"People who learned the trade from us are now over-taking us because we have dropped the business. That is why we are trying to ensure that we organize our small holder farmers," he adds. OPGAN have access to funding. So the farmers get better payment for their labor. **P**

'Nigeria Has The Capacity To Operate Globally'

Alhaji Bala Sule, Director at Premium Agro Fertilizer, believes Nigeria has a large appetite for blended NPK fertilizers and sees continued increase in the number of players.



On fertilizer importation

People were getting used to the idea of importing fertilizer from Ukraine, from Russia, and from Morocco because there was no control. Every Tom, Dick and Harry was going into fertilizer importation and the price was outrageous. It was about N5,000 (\$12) a bag then. But with this policy of ban and encouragement of local blending, the price will

come down in due course.

Though it is not going to be easy because of the few players in the industry, we are sure the price is certainly going to come down. There are few plants blending fertilizers to feed the local demand but with time, I know more people would enter the industry and the story will change for the better. Before now, we had less than 10 blending plants in the country. Today, we have over 40 blending plants.

The PFI Program

When Nigeria, Moroccan King and OCP Morocco signed the agreement some of us were unhappy. We kicked against it. But we thank God for the journey thus far.



Today, the demand in the market is not being met despite the number of blending plants that we have in the country. I encourage others, local and foreign investors to invest in the sector because there is still a lot of gaps to be filled.

On local capacity in blending

Today, the demand in the market is not being met despite the number of blending plants that we have in the country. I encourage others, local and foreign investors to invest in the sector because there is still a lot of gaps to

be filled. The Nigerian market has the capacity of buying between 1.5 and 2 million metric tonnes of fertilizer per annum.

On substandard importation of fertilizers

Well, we are on the right track. In those years, all importers of NPK were importing NPK 15 -15, which may not conform to some soil or crop types. We were all forced to use NPK 15 -15 all over the country because that was the widely accepted fertilizer in the north. But the fact remains that the soil type in the north is different from the soil type in the south. The south requires different types of blended fertilizers. They require NPK 27-13-13 or NPK 20-10-10, etc. I believe that the government is on the right track.


On Nigeria supplying Africa with blended fertilizers

Some blenders in the country are already having markets outside the shores of this country. Some are exporting to Chad, Niger, Benin Republic and Cameroon. We have the capacity to operate globally and I can tell you that Premium Fertilizer is in a position to lead Nigeria along this line. Nigeria has the capacity to operate globally.

Access to capital

This is a serious problem. When we were building our own blending plant, we approached the Central Bank of Nigeria (CBN) for forex. We even wrote to the Ministry of Agriculture that recommend us to the CBN, but until today, we never got any form of intervention from the Central Bank of Nigeria. If the government through the CBN can encourage commercial banks to give loans and forex to blenders, at the government approved rate, I believe others would be encouraged to come into the sector.

On the Anchor Borrowers Programme

I will say that it is very good, but there are lots of things that the Central Bank of Nigeria needs to do. It is running the program without involving the Ministry of Agriculture, which is the parent body in the whole of agricultural value chains in the country. Yes, it gives farmers the money and monitors it from the beginning to the end. 

Business Beyond Subsistence

Rose Goslinga, Co-CEO at agriculture insurance and technology firm Pula Advisors AG, believes in the opportunities in Nigeria's agriculture, but also sees a number of overlooked layers of the value chain that could better profit the economy.



“**T**HERE IS A WIDE RANGE OF agribusiness opportunities in Nigeria from production, to processing to distribution. And all these come with investments risk, therefore, creating a large opportunity for agriculture insurance in its wake,” said Goslinga. Pula Advisors AG is an insurance and technology company providing comprehensive insurance solutions designed to protect and improve the livelihoods of smallholder farmers.

From Switzerland, Pula has provided insurance and technology support services for millions of farmers in various parts of the world, including Nigeria, Uganda, Kenya and Pakistan. It was unsurprising that at the birth of the Anchor Borrowers programme in Nigeria in 2016, the Federal Ministry of Agriculture and the Central Bank of Nigeria (CBN) sought the firm's expertise to determine the drive to enhance the fortunes of Nigerian farmers.

Within a short period in Nigeria's expansive swathes of arable land, Goslinga and her team has left impressive footprints already. The most important has been making smallholder farmers realize that agriculture is business and should be secured against all possible risks. With greater awareness by smallholder farmers of the importance of approaching agriculture as business, rather than just a means of subsistence, Goslinga believes the challenges posed by paucity of capital will be easier to overcome.

“Access to finance accelerates business growth as it allows the business owner to focus on delivering products that work, as opposed to spending time sourcing for funds to implement ideas. The Central Bank's Anchor Borrowers Programme has provided easy access to credit/finance for small-scale farmers, enabling them to grow their business and explore innovative ideas. This has resulted in the growth and attractiveness of the Nigerian agriculture industry, bringing qualified experts to do the growth work. Therefore, if the system is well maintained, I believe it will continue to unlock new feats in the Nigerian economy,” she stated.

Pula's entry point is helping farmers manage the risks associated with weather hazards, global warming, pests and diseases.

“Smallholder farmers are especially vulnerable due to the limited resources at their disposal. But our agricultural insurance is a tool to improve the resilience of smallholder farmers, allowing them to recover financially,” said Goslinga.

Pula developed agriculture index insurance products to protect farmers against a wide range of climate risks and other perils that affect their yields. These products include Area Yield Index Insurance, Hybrid Index Insurance, Weather Index Insurance, Index-based Livestock Insurance, remote agriculture monitoring tools, farmer registration digitization, among others.

Pula's expertise in agriculture insurance and technology was one of the pillars of success for Nigeria's Anchor Borrowers Programme. Having been consulted for a feasibility study on Index Insurance in Nigeria in 2015, by a consortium that included the Nigerian Federal Ministry of Agriculture and Rural Development (FMARD), the Central Bank of Nigeria, the German Technical Cooperation (GIZ) and the Alliance for a Green Revolution in Africa (AGRA). Pula has contributed to the growing sophistication of agriculture in Nigeria. The results of this study led to the launch of a yield index-based pilot covering over 7,000 maize farmers in 2016. Pula has insured hundreds of thousands of farmers across multiple value chains.

As the greatest employer of labour in Nigeria, Goslinga believes more needs to be done to maximize the immense potential of agriculture in Nigeria.

“Agriculture employs more than 36% of the country's labour force, a feat which ranks the sector as the largest employer of labour. However, the sector is faced with large value chain gaps and challenges such as inadequate access to finance due to lack of collateral and level of value addition and weak supply-chain linkages,” she explained. **1**

High Demand For Fertilizer

Valentine Nwandu, Managing Director and Chief Executive Officer of TAK Group of Companies, says that availability of quality and affordable fertilizer will drive down cost of food production and food price inflation in the market.



ACCORDING TO THE LATEST PROJECTIONS, Nigeria, Africa's largest populated country, has a population of 213 million, the seventh largest in the world. The United Nations projected that the overall population of Nigeria will reach about 401.31 million by the end of the year 2050. By 2100, if current figures continue, the population of Nigeria will be over 728 million.

The figures clearly call for increase in food production and plant yields in order to meet up with the growing population. Fertilizer is critical; not just to achieve the increase in food production, but also to ensure soil quality and avoid depletion of soil nutrients.

Valentine Nwandu said that Nigeria will not be able to meet its food production goals without developing and deploying practices that ensure the production, distribution, effective and efficient use of fertilizer.

"There is no question that the demand for fertilizers will continue to be there and grow. We are a growing nation and we have to feed ourselves. So, we need to make our land more productive. And there is no better way than intervening with fertilizers," Nwandu said.

He noted that the federal government through the Presidential Fertilizer Initiative (PFI), an initiative that President Buhari implemented, has been making huge practical efforts to ensure food security. This has been done by facilitating an increase in domestic food production, through the timely provision of affordable and high-quality fertilizer to the Nigerian farmers. Among other things, he said that the mandate of the Presidential Fertilizer Initiative which took off in 2017, was to revive the ailing fertilizer blending industry so that Nigeria could achieve food security.

The PFI was designed to ensure domestic capacity for the production of fertilizer, specifically NPK 20:20:10. The initiative has contributed significantly to the transformation of the fertilizer industry in the country. Prior to the PFI, Nigeria's fertilizer industry was comatose, with less than ten blending plants operating below 30% of installed capacity.

"The Presidential Fertilizer Initiative has encouraged investments to come into the industry because when we started, there were like five major companies blending fertilizer but today, we have over 40 registered operators of fertilizer blending in the country. From five in 2015 to over 40 today," he said.


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There is no question that the demand for fertilizers will continue to be there and grow. We are a growing nation and we have to feed ourselves. So, we need to make our land more productive. And there is no better way than intervening with fertilizers.

The program has bolstered Nigeria's industrial base, eliminating the huge fertilizer subsidy burden placed on Federal Government, created thousands of direct and indirect jobs and alleviated the plight of the smallholder farmer by ensuring availability of fertilizer.

Nwandu put forward that the PFI is about "aggregating the country's demand and using it as leverage to negotiate significant discounts from input suppliers and passing that to the farmers."

He stated that the initiative was born following the visit of the King of Morocco, Mohammed VI to Nigeria in December 2016. According to him, many agreements were signed during the monarch's visit including a three-year agreement between OCP Morocco and the Fertilizer Producers and Suppliers of Nigeria (FEPSAN). This involved OCP's commitment to supply Di-ammonium Phosphate (DAP), one of the four major raw materials needed in the local blending of quality fertilizers.

"Fortunately, the King of Morocco was visiting Nigeria at about that time. Our chairman, Mr Thomas Etuh, the president of Fertilizer Producers and Suppliers Association of Nigeria, told Mr President that the King is here for gas but that they are the largest exporter of DAP in the world. He asked the president to make a deal with the King of Morocco. And that led to FEPSAN signing an MOU with OCP Morocco, the largest exporter of DAP in the world. FEPSAN knocked down a very good price for DAP for the next three years. This we have never done before. This formed the backbone and the platform that other deals were made," Nwadu stated. 

WE BELIEVE IN AFRICA

Can we sustainably feed a world of nearly 10 billion people? At OCP Africa, we believe the answer is “yes.”

With subsidiaries in 12 countries and projects in over 15 markets, OCP Africa’s common goal is to promote a more sustainable, modern, productive and affordable way of farming across the continent.

OCP Africa is a subsidiary of OCP Group - a leading global provider of phosphates and fertilizer. Building on almost 100 years of knowledge, we equip farmers in Africa with custom and affordable fertilizer solutions, as well as the agricultural best practices and skills needed to succeed.

OCP Africa is proud to be working hand-in-hand with African farmers, using African resources, to contribute to unlocking Africa’s vast potential in sustainable agriculture.



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