



**AGRIQUE AFRICA INVESTMENT MISSION TO NIGERIA 2017 CONFERENCE, JUNE 13th and 14th 2017,
SHERATION HOTEL, ABUJA NIGERIA**



**WELCOME2AFRICA INTERNATIONAL PRESENTS THE AGRIQUE AFRICA INVESTMENT MISSION TO
NIGERIA REPORT.**

DATE: 13TH + 14TH JUNE 2017.

VENUE: SHERATON HOTEL, ABUJA – NIGERIA

THEME: CATALYSING FINANCE AND INVESTMENTS INTO NIGERIA'S AGRIBUSINESS SECTOR

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Ms, Bamidele Seun Owoola, Chief Executive Officer,
Welcome 2 Africa International

The conference started at exactly 09:15am and was opened by the CEO and Founder of Welcome2africa international Miss Bamidele Seun Owoola, who then welcomed the participants to the event and introduced the event.

Additional welcome remark was shared by Dr Effiom Oku, who then welcomed the participants of the event and introduced the objective of the event which is 'Catalysing Finance and Investments to Agribusiness – A Focus on Africa'.

The Director of Agro – Industry Department for African Development Bank, Dr Chiji Ojukwu during the introduction talked a little about what African Development Bank do and how they contribute to the growth of Agribusiness in Nigeria. They have a lot of schemes put in place that can be beneficial to an Agribusiness one of which include the agriculture Danish grant funds available for agribusiness manager.



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INVESTING IN NIGERIA'S FOOD AND AGRIBUSINESS SECTOR THROUGH PUBLIC PRIVATE PARTNERSHIPS (CHALLENGES AND PROSPECTS). Moderator: Miss Bamidele Owoola of Welcome2africa International.

Dr Stefan Kachelress the Program Director of Competitive African Rice Initiatives (CARI) discussed about what CARI does which is mainly on rice and how they are implemented in four countries (Ghana, Nigeria, Burkina Faso and Tanzania) with 34 partnerships. They deal with the productivity and quality of rice, efficiency of local rice, access to financial services and policy framework. He looked at the intricacies of partnership which are availability of quality inputs, small scale mechanization, high interest rates, branding and marketing.

Mr Abdu Muktar the Group Chief Strategy Officer of Dangote Industries Limited discussed on the challenges of partnering with Nigerian government. Some of these challenges are land preposition (policy and regulations are not aligned between the federal and state government), lack of infrastructures, community issues (government should deal with the community in agreeing).

Dr Chiji Ojukwu the Director of Agroindustry Department of African Development Bank also discussed on the challenge of partnering with Nigerian government which is policy constraint.



Mr Kodama Hiroshima Agribusiness Expert of Japan International Cooperation Industry discussed on factors investors should consider before investing. They are identifying appropriate technologies and abducting national grading standard.

Mr Ishmael Balogun the Chief Executive Officer of Goldmine Global Services Limited discussed on the challenge of partnering with Nigerian government which is challenging system (policy and regulatory installed).

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THE FOOD AND AGRICULTURAL INVESTMENT LANDSCAPE IN NIGERIA – WHAT ARE THE SCOPE, RISK MITIGATION PLATFORM AND EXISTING STRATEGY? Moderator: Mr Emmanuel Akinwumi of African Development Bank.

Mr Aliyu Abbati Abdulhameed of Nigeria Incentives Based Risk Sharing System for Agricultural Lending (NIRSAL) discussed on how NIRSAL engages with the entire value chain and also provides technical support. Systemize the inputs and logistics of delivery, apply risk management and deploy lot of management services.

They provide class of service providers for their farmers and also finance both the farmers and the service providers. NIRSAL engages in different types of scheme which are the project management service scheme and stock management evaluation value system.

Dr Ken Ife Lead Consultant – Private Sector Development ECOWAS commission spoke on financial risk (adequacy and insurance) and risks of non-compliance (quality assurance).



His advice to agribusiness is to take advantage of structure of insurance such as NIRSAL and other programmes and also companies like ShopRite.

QUESTION

- How support can be accessed (asked by Olaitan Tolani CEO of Shea Origin)

Mr Aliyu of NIRSAL said that as long as the product is biological it gets NIRSAL's support and any product that is export based is given support.

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INNOVATIVE FINANCE METHODS FOR AGRIBUSINESS. Moderator: Mr Femi Royal Aliu of Welcome2africa International.

Mr Kudzai- Gumunyu of First City Monument Bank PLC said that a good fixed value chain system shows proof of innovative financing and when financing, collateral is a necessity. He said that one of the challenges of traditional financing is structural issues which lead to poor access to finance, poor access to market and low productivity. The advantages of innovative financing are; mechanisation increases productivity of farmers, farmers can be monitored on what they are doing by putting trackers on tractors.



Dr Andrew Efisue Senior Country Programme Director of Competitive African Rice Initiative (CARI) said that innovative financing is digital agricultural financing. For example, in CARI there is AfricaRice advice which is an application that gives advice on fertilizer. Then, there is also the weather forecast application.

Dr Farouk Kurawa of Nigeria Incentive Based Risk Sharing System of Agricultural Lending (NIRSAL) discussed on the agriculture subsector that attracts innovative financing. He said it depends on the value chain they are investing in. Most times, investors only invest in the value chain that will yield profit within a short period of time. He advised that investors that want to invest to go through NIRSAL to know the risk of investing in any of the value chains.

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NIGERIA'S AGRICULTURAL COMMODITY MARKET AND OPPORTUNITIES FOR EXPORT: 'UNLOCKING OPPORTUNITIES FOR AGRICULTURAL PRODUCE MARKETING AND CREATING COMPETITIVE PRICING FOR FOOD COMMODITIES. Moderator: Dr Tony Bello Director General of Nigerian Agribusiness Group (NAGB).

Mr Akintunde of Akure Commodity Exchange said that solution is in the commodity exchange (AFEX). He advised that agribusiness looking to start exporting should learn to follow proper queue and also obey the regulatory of securities and exchange of commission.



Mr Hope Yongo the Technical Adviser to the Managing Director of Nigerian Export-Import Bank listed price transparency, integrity of storage and management of cash flow as part of factors that affects export.

Mr Sheriff Balogun of Sterling Bank Nigeria Plc also listed level of transparency, actual cost of production for each of the products and integrity of storage as factors that affects exportation.

Mr Emomotimi Agama of Securities and Exchange Commission said that one should have a clear knowledge of every area of need of the member of the value chain. When looking at risk management it is advice that agribusiness should go through NIRSAL who then set a team to review the entire ecosystem of commodity exchange training, as the ecosystem needs to be sorted out.

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LESSONS LEARNED FROM INVESTING IN NIGERIA'S FOOD AND AGRIBUSINESS SECTOR AND STEPS TO AVOID MISTAKES IN THE FUTURE. Moderator: Nicole Smith of Investment Analyst African Council

Mr Olumide Lawson Executive Director at Sahel Capital Partner and Advisory Limited shared some of the lessons learned which are; most companies in Nigeria do not see agriculture as business, people do not really understand their business and there is no accountability and record keeping.

Dr Christof Walter of Christof Walter and Associates shared on challenges and innovative approach to manage change. Agriculture is not for quick gain. Investors often find that most investments are more involved than expected and they mostly come in small batch sizes than in other industries. Common mistakes to be avoided when investing are; neglecting the supply chain, going in too big, choosing wrong location. He advised that if investors want to get involve, they should make sure to recognise and avoid common mistakes and also get technical advice while the farmer should get business advice.



Mr Tope Adewuya the Investor Manager at Grofin shared some of the lesson learned from their experience. Expect the unexpected, add value (sell at competitive value), and consider cost, sustainability and entrepreneur needs to get involve.

COMMENTS by Olaitan Tolani CEO of Shea Origin

- Scope of investment is not friendly to agribusiness from an entrepreneur point of view
- Hard to sell products
- Interest rate id high and does not encourage the sustainability of growth in Nigeria

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UTILISING INNOVATION TO CATALYZE INVESTMENT INTO AFRICA'S BUSINESS SECTOR. BLENDED FINANCE AN IMPETUS



Day 2 started with Professor Sunny Nyemah the Chief Investment Officer/ Director at Allianz International Holdings/ Pride City speaking on Blended Finance. Looking at Africa at a glance:

Making Blended Finance Political will:

- Need political will to close the 'gap'
- Financing is not the only obstacle, 'policies and execution'
- Knowledge of each target market
- Awareness of community engagement.

Willingness to acquire in-house capabilities

FOOD VALUE CHAIN AND AGRO – PROCESSING HUBS: ECONOMIC DIVERSIFICATION THROUGH COMMODITIES VALUE ADDITION IN THE NIGERIA AGRIBUSINESS. Moderator: Mr Godswill Aguiyi of Value Chain and Livelihood Experts NANTS.

Barr Emmanuel JIME the Managing Director at Nigerian Export Processing Zones spoke on the incentives for free trade:

- No import or export license shall be required
- Repatriation of foreign capital investment in the zones at any time with capital appreciation of the investment
- Remittance of profit and dividends earned by foreign investors in the zone

Some of the schemes they are involved in are:

- Staple crop processing zone (2011)
- Economy recovery and growth plan (ERGP)2017-2020
- Nigeria industrial revolution plan (NIRP)

Dr Thompson Ogunsanmi the Country Agribusiness Advisor at IFDC spoke on the models for financing business start-up in Nigeria.

- Accessing finance would be difficult until we put together each member of the agricultural value chain.
- Poor extension services
- High cost of input due to inflation rate
- Level of infrastructure
- Access to farm mechanisation process



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Mr Francis Nwankwo Programme Officer at African at Agricultural Technologist Foundation spoke on the opportunities in biotechnology and Agro-crop in Nigeria.

- Water use efficiency
- Provision of service providers
- Increase quantity in terms of yield
- Labour cost is reduced

Improving quality

Mr Olivier Follins Country Director at Proparco Nigeria shared on WHY Value Chain.

- They have to go through the value chain since they cannot go to the farmers
- Improve yield, fertilizer and irrigation
- Encouraging the demand for Nigeria made goods.
- Improve revolution in Agric



Mr, Olivier Follin, Country Director, Proparco Nigeria; Lagos

Careful in Investing because:

- Wrong approach leads to long term effects
- How the soil will be in 50 years (will it still be able to produce)
- Little knowledge of the working force
- Funding should be done mostly with local partners
- Find partners who share same values before funds can be granted
- Consider each step of the value chain

QUESTION

Is there a way to get leverage at the Nigerian Export Processing Zone (Ishmael Balogun)



Barr Emmanuel Jime said that they should take advantage of the free zone areas in the different states in Nigeria although they are not in Oyo state yet. They should also take advantage of licensing as participants. There are free trade zone for private sector

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INVESTING IN THE NIGERIAN FOOD AND AGRIBUSINESS SECTOR THROUGH NIGERIA'S CAPITAL MARKET.

Moderator: Miss Lilian Onyegbulam of Welcome2africa International

Mr Seye Bassir Investment Director at Investment Funds for Developing Countries shared that there is a mismatch between the financing available and the opportunities and the available is not desirable. Minority shareholders invest in typically equity.

Mr Tunde Kamali the Deputy Director & Head International Relations at the Office of the Chief Economists shared that fund for agriculture sector is through capital market. He advised that those looking for investors should first consider saving through esusu.



Mark Abani the CEO of CEOMSCAW World Wide Project s Limited shared that capital market started from agriculture in terms of commodities. Some challenges of investing are:

- Not understanding the markets
- Access to funds
- Lack of understanding of risks involved in investing in Nigeria
- Government Policy

Long term certainty

What could be change?

- Introduce international proven capital market funding approaches such as real estate management.
- Create alternative market classes such as infrastructure bonds
- Diversify pension funds into long term agricultural opportunities
- Promote a virile commodities exchange system
- Use public private partnership and their accountability frameworks to give confidence to investors
- Investing in companies that provide for the export market such as companies that sells fertilizers and seeds, farm equipment and manufacturers

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TRADING NIGERIA'S AGRICULTURAL COMMODITIES, INVESTMENT RISKS AND HOW TO AVOID THEM.

Moderator: Mr Olayinka Omoler of Asoko Insight

Dr Enobong Umoessien the Head Business and Enterprise Promotion at Private Sector Directorate ECOWAS Commission shared on the challenges faced in trading agricultural produce which are:

- Policy Standard
- Commodity Exchange



Mr Richard Ogundele Group Intervention Manager at GEMS4 Wholesale Retail Market Development Project shared that for private sector to support the small holders they need know where they are and their objectives. There are data, standard and procurement required.

Mr Joshua Zira of Sterling Bank Nigeria Plc shared that the resolution to trading agricultural produce are:

- Quality Standard
- Zero to export
- Develop small holders by coming up with their own out-grower



Dr Ken Ukaoha the Secretariat President at National Association of Nigerian Traders also shared on some challenges faced which are:

- Trade infrastructure which stops Nigerian from benefitting from commodity trade
- Trade facilitation (too many check on the road)

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ACCESS TO FUNDING / SUPPORT FOR NIGERIA'S FOOD AND AGRICULTURAL SECTOR. Moderator: Chibuiké Oguh the Frontier Markets Analyst at Financial Nigeria International Limited.

Dr Richard Shaw the Managing Partner Senga Bay Capital Limited shared on the opportunities available to agribusiness:

- Start small think big and have a strategy
- Have a good business plan
- Opportunity to setup and manage funds to fund small-scale farming, agro-processing and infrastructure.

To borrow money to fund for project the '5C' must be acknowledged; Character, Capacity, Capital, Collateral and Conditions.



Dr Adetunji Oredipe the Senior Agriculture Economists at World Bank shared on the scheme the World Bank are supporting:

- IBRO-
- IDA – Integrated Development Association
- IFC – International Fund Co-corporation



WHY IS IT NOT WORKING FOR NIGERIANS

- Behavioural attitude
- Lack of information
- Government not getting their priorities right



Marc Shiman the Chief of Party at USAID shared on the other crops that attract foreign investors such as Coffee, Moringa, Hibiscus, Cashew, and Cocoa and so on. Before investors invests infrastructure needs to be put in place.

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Chimdindu Onwudiegwu Dalber Global Markets Analyst at Financial Nigeria International Limited shared that most do not:

- Have the necessary pool
- Put the right structure put in place

Know the kind of funds to target

QUESTIONS

How do agribusinesses position themselves to access funding?

- Obeying the 5'C'
- Seeking the right information
- Interest in association
- Partner with relevant porter
- Demonstrating the ability to repay when funded

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VENTURE CAPITAL AND BLENDED FINANCE IN FOOD AND AGRIBUSINESS SECTOR: EXEMPLAR PORTFOLIO AND VIABLE OPPORTUNITIES. Moderator: Professor Sunny Nyemah Chief Investment Officer/ Director Allianz International

Mr Olumide Lawson Executive Directorate at Sahel Capital Partner and Advisory Limited shared that blended finance brings commercial and investors together to finance agriculture. He also shared that access to finance is a challenge in the Nigerian agriculture. He advice that agribusiness should focus on small scale farmers.

Mr Ikenna Mbaekwe German Investment Corporation (DEG) shared that there are:

- Available programs through intervention program funds
- They work with SMEs that are already operational
- Provision of technical assistant facility to reduce or mitigate risk
- Agriculture and trade investment funds
- Investors should invest with the aim of getting returns



Mr Isaac Boateng West Africa Portfolio Manager at Palladium Impact Investing advice that government should allow commercial banks to contribute to the growth of SME. He said they spend at least 5 years incubating SMEs.

QUESTION

What are the criteria for investing?

- Understanding the business scale
- Direct exposure for large scale investment
- Sustainability
- Returns in 5 years
- Demonstrate social impact
- Understanding the financial instrument they are searching for.

What support is given to agricultural start-up?

- There should be a guarantee that there will be a return
- Agribusiness should move from been a start-up and they will be taken serious.

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Networking Session;



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**AGRIQUE AFRICA INVESTMENT MISSION TO NIGERIA 2017
CONFERENCE PROGRAMME OF EVENTS 13TH/14TH JUNE, 2017**

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LIST OF AGRIBUSINESSES PRESENT FOR AAIM2017.

Toyota Consult: Financial & Management Consult A & Shine International Limited: into Honey
Agro Advisory and Management



AFEX Commodity Exchange Limited



Nigeria Incentive-Based Risk Sharing System for
Agricultural Lending



Competitive African Rice Initiatives



Martaba Farms: Bio – Fuel



Dizengoff: into Machinery, Tractor, Equipment

Oklan best Limited: into Shea butter and export of
other products

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Miss Bamidele Owoola CEO of Welcome2Africa International closes the event by thanking the participants for coming. The 4th edition of the Afrique Arica Investment Summit will be taking place in Frankfurt, Germany 24th to 25th October 2017.