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Nigeria Agriculture Policy Activity

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NAPA Highlight #14

Strengthening the Business Environment for Agri-Food Enterprises in Nigeria: Engagement with Stakeholders in Ebonyi, Delta and Cross River

To fill the gaps on the effects of the business environment on Micro, Small and Medium Enterprises (MSMEs) within the agri-food subsector, the Nigerian Agricultural Project Activity (NAPA) conducted a study on Sustainable Development and the Implications for Agri-Food Value Chain Actors.

Around 4 in 10 Nigerians live in Poverty, and millions more are vulnerable to falling below the poverty line. MSME's are critical to the growth, productivity, and competitiveness of the economies of developing countries, and this is true for Nigeria. (National Policy on Micro, Small and Medium Enterprises, FRN 2021-2025). As of 2017, data from the Nigerian Bureau of Statistics (NBS) showed that Nigeria had 41.5 million MSME's which accounted for 59.6 million jobs. In the same year, 69 million people were recorded as being in employment. (NBS, 2018). With these statistics, it is apparent that the sustainable growth of MSME's is critical to Nigeria's progress towards the delivery on the Sustainable Development Goals (SDGs), particularly SDG 1 (Ending poverty in all its forms) and SDG 2 (End hunger, achieve food security and improved nutrition and promote sustainable agriculture.) In this regard, strengthening understanding the business environment for agri-food enterprises in Nigeria is the overarching objective of the current study.

The methodology for the study included engagement with stakeholders in roundtable workshops grouped along three geo-political zones. The fourth engagement brought together stakeholders from Cross River, Delta and Ebonyi States to Abakaliki, Ebonyi State on Thursday, March 10, 2022. This project highlight captures the first roundtable workshop.

Selection of stakeholders was purposely done. First, stakeholders were identified along 5 agricultural commodity value chains: aquaculture, cowpea, maize, rice, and vegetables. Several associations operate in various agricultural commodities; however, for the context of this study, we only consulted with associations registered and recognized by the respective State Ministries of Agriculture. The following organizations were included in the stakeholder selection process in this regard:

- All Farmers Association of Nigeria (AFAN)
- Catfish Farmers Association of Nigeria
- Rice Farmers Association of Nigeria
- Maize Farmers Association of Nigeria
- Cowpea Farmers Association
- Vegetables Farmers Association

Representatives were chosen from among the respective associations who were well-versed in the workings of agribusiness, particularly as it relates to the association in their respective states.

The following stakeholders were identified and invited to the roundtable workshop:

- Ministry of Agriculture
- Ministry of Justice
- Ministry of Commerce & Industry
- National Association of Small & Medium Enterprises (NASME)
- Nigerian Export Promotion Council (NEPC)
- Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)

37 participants attended the roundtable workshop: 17 from Ebonyi State (9 males, 8 females), 10 from Delta State (8 males, 2 females) and 10 from Cross River State (9 males, 1 female).



A participant from Ebonyi giving feedback after a session

The workshop was facilitated by Dr Oyinkan Tasie and two alumni of the Nigeria Agricultural Policy Project scholars' scheme, Monday Shaibu and Dr Hephzibah Obekpa. Mr. Monday provided the motivation for the roundtable discussion, emphasizing the importance of firsthand information about the business environment for both general and agri-food firms. This has become important given Nigeria's acceptance of the Africa Continental Free Trade Area (AfCFTA) agreement in 2021.



Cross section of participants and the Honorable Commissioner for Agriculture & Natural Resources, Ebonyi State, Nigeria

The roundtable workshop started with the participants filling out a perception survey. The survey collected baseline information on participants' understanding of policy issues and existing policy frameworks. It consisted of three parts: the first focused on the general business environment in the individual states, the second on agri-food businesses, and the third on the policy framework, which included a question about the African Continental Free Trade Area Agreement (AfCFTA). A preliminary analysis of the data suggested a poor awareness of the AfCFTA and its commercial ramifications. This conclusion is per the Federal Policy on Micro, Small, and Medium Enterprises.

The roundtable workshop also included a focus group discussion. Participants were divided into state groups, including policymakers and the private sector. The feedback from each group session revealed similarities and differences. It also provided participants with a peer-learning forum. Peers from other states agreed that the workshop could be a learning experience for implementation and sought technical support from the Project.

Participants had a broad understanding of the business environment and agri-food business in their respective states. They shared valuable views on improving the business environment for MSMEs to help Nigeria's economy flourish. Here are a few examples of these insights:

- Increasing the capability of farmers by fostering climate-smart and regenerative agriculture, thereby reducing the need of inorganic fertilizers and chemicals. This is to ensure that agricultural products and produce satisfy the necessary requirements.
- Raising awareness and improving MSMEs' financial literacy skills, as well as evaluating the potential of the AfCFTA agreement.
- Training of competent extension agents and business associations to assist farmers with the needed information on Good Agricultural Practices (GAP) and best business management skills.
- Providing MSMEs with the necessary logistics and linking them with Nigerian trade

associations in other African nations (and trade cities).



Cross section of Cross River State participants



Cross section of Ebonyi State participants

A WhatsApp group was created for each State at the end of the workshop to continue further interaction and knowledge sharing across participants and the facilitators.



Cross section of Delta State participants

By: Dr. Hephzibah Obekpa

The workshop provided helpful feedback on the facilitators' and participants' knowledge. Some of the participants, for example, learned about the AfCFTA and why the Nigerian government ratified it. Furthermore, the workshop provided an opportunity for information transfer, as successful and effective methods from some states were advocated for adoption by the other states. Delta State, for example, discussed how collaborating with East-West Seed, a seed company based in Kaduna, had helped enhance vegetable output in the state and offered to partner with their counterparts in Ebonyi State. The participants praised the conversation and expressed the hope that NAPA and their respective organizations would continue to enhance their capability

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