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KADUNA STATE BUSINESS ENVIRONMENT, AfCFTA, AND THE IMPLICATIONS FOR AGRI-FOOD (MICRO, SMALL AND MEDIUM ENTERPRISES) ENTERPRISES: STAKEHOLDER PERCEPTION AND EVIDENCE REPORT

By

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ACRONYMS

ABP	Anchor Borrowers' Program
AfCFTA	The African Continental Free Trade Area Agreement
APPEALS	Agro-Processing, Productivity Enhancement and Livelihood Improvement Support
CBN	Central Bank of Nigeria
IFPRI	International Food Policy Research Institute
KADCHMA	Kaduna Contributory Health Management Agency
KADENAP	Kaduna Emergency Nutrition Action Plan
KADGIS	Kaduna Geographic Information Service
KADIPA	Kaduna Investment Promotion Agency
KADSWEF	Kaduna State Women Empowerment Fund
KASUPDA	Kaduna State Urban Planning and Development Authority
MSMEs	Micro, Small and Medium Enterprises
MSU	Michigan State University
NBS	Nigeria Bureau of Statistic
NIRSAL	Nigeria Incentive-based Risk Sharing for Agricultural Lending
NYIF	Nigeria Youth Investment Fund
SDGs	Sustainable Development Goals
SMEDAN	Small and Medium Enterprise Development Agency
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

This report is on the outcome of deliberations from a one-day program organized by the Nigerian Agricultural Policy Activity (NAPA) in Makurdi, Benue state, to further enlighten and enhance the understanding of relevant stakeholders on the effects of Micro, Small, and Medium Enterprises (MSMEs) within the Agri-Food sub-sector. The African Continental Free Trade Area Agreement (AfCFTA) was also deliberated, focusing mainly on how businesses can improve their business activities, to participate and benefit from the agreement. Participants were drawn from government establishments, relevant non-governmental organizations, Ministries of Agriculture, Justice and Commerce, Agri-food commodity associations and other farmer groups.

Kaduna state has made several efforts to achieve zero hunger and poverty over the years in line with sustainable development goals. To achieve these goals Kaduna state government enacted some legislation and policies, agencies including Public Procurement Law, the Kaduna Metropolitan Transport Authority Bill, Kaduna Geographic Information Service (KADGIS), the Kaduna State Urban Planning and Development Authority (KASUPDA), the Kaduna State Environmental Protection Authority, the Ministry of Business Innovation and Technology, and the Kaduna Investment Promotion Agency (KADIPA). In addition, to ensure food availability and reduce spoilage, the state government also decided to establish silos in different parts of the state.

However, the goal of achieving zero hunger and poverty in Kaduna state has had its challenges. These challenges are mainly challenges directly or indirectly affecting Agri-Food businesses in the state. Some of the challenges identified include; insecurity, processing and storage facilities, few or no extension agents, and poor power supply. In order to meet up with the Sustainable Development Goals (SDGs) goal of eliminating hunger and poverty by 2030, it is recommended that policies should be formulated and implemented towards tackling these challenges. Moreover, there is a need to use agriculture-related value chains not only to improve and enhance agricultural production but also to stimulate business activities that will empower the people.

INTRODUCTION

Kaduna state is a state in northern Nigeria with an estimated population of 9.02 million as of the year 2019 (NBS, 2019). It is also the fourth largest and third most populous state in the country with a large fertile land area that supports crop cultivation and livestock production. The state's economy is dependent on agriculture, especially on cotton, groundnut, maize and ginger production. The majority of agricultural activities in Kaduna state are carried out by small scale farmers. Despite the enormous contribution of the agricultural Sector to the Kaduna GDP, it is evident that most of these MSMEs are yet to maximize their full potential. The growth and progress of MSMEs are challenged by numerous factors including poor power supply, lack of modern equipment and storage facilities, poor market linkages, and poor value addition. All these factors have in one way limited the growth and progress of Medium and Small Scale Agri-Food leading to reduced welfare and poverty.

Furthermore, similar to other states in Nigeria, Kaduna state government is actively involved with its obligation of meeting the goals and targets of the SDGs particularly zero poverty, and zero hunger through food security and improved nutrition and sustainable agriculture. These have been achieved to some extent through the formulation and implementation of policies aimed at improving citizens' welfare, reducing hunger and poverty. Thus, moving the state towards achieving the SDGs goals and objectives. For instance, Kaduna state is dependent on agriculture for its revenue generation, hence issues that would affect the productivity of the agricultural sector remain key. Apart from the major known challenges facing the Agri-Food sub-sector, the issue of high tax, tariff and custom duties on food related commodities pose a challenge to improving farmers' welfare, reduce poverty and increase the GDP of the state.

The introduction of the African Continental Free Trade Area (AfCFTA) agreement, founded in 2018 and starting operation on the 1st of January 2021, would help combat the issue of tariff, tax and customs barriers. These would hugely impact the growth of MSMEs in Kaduna state as they would be able to export their products and consequently import goods and new technologies that would aid their daily production activities. The AfCFTA agreement which was brokered by the African Union and signed on by 44 of its 55 member states in Kigali, Rwanda, requires members to remove tariffs from 90% of goods, allowing free access to commodities, goods and services across the continent (ECA and TMEA, 2020). Some of the general objectives of the agreement include to promote and achieve sustainable and inclusive socioeconomic development, gender equality and structural transformations within member states; enhance the competitiveness of member states within Africa and in the global market; encourage industrial development through diversification and regional value chain development, agricultural development and food security; and amongst others. With proper awareness and keying into the great benefits AfCFTA offers, Agri-Food based MSMEs in Kaduna state can boost production and cover a wider market, thereby making more profit leading to better welfare and general economic growth and development in the state.

UNPACKING EBONYI STATE BUSINESS ENVIRONMENT

Kaduna state government has always prioritized improving the state's ease of doing business, initiating legislation including the Public Procurement Law, the Geographic Information Service Law, the Civil Procedure Bill, the Kaduna State Road Authority Bill and the Kaduna Metropolitan Transport Authority Bill. The current administration also created an ease of doing business committee, uniting agencies like the Kaduna Geographic Information Service (KADGIS), the Kaduna State Urban Planning and Development Authority (KASUPDA), the Kaduna State Environmental Protection Authority, the Kaduna State Internal Revenue Service, the Ministry of Business Innovation and Technology, and the Kaduna Investment Promotion Agency (KADIPA). These efforts led to tangible results, with Kaduna state recognized as one of the most-improved states in Nigeria doing business with ease (out of 36 Nigerian states).

The World Bank commended Kaduna state for digitizing the state's land registry and creating an electronic platform for company incorporation and issuing construction permits (<https://kadipa.kdsg.gov.ng/>). Kaduna state did not just record improvements in several categories but became the top-ranked state in registering property and enforcing contracts. KASUPDA was able to meet its goal of delivering building permits in under a month by engaging new engineers and architects to work for the state, vastly improving the speed and quality of its approval process. As a result, Kaduna state jumped 19 spots to rank as the 5th-easiest State to start a business in Nigeria in 2018. That year it only took entrepreneurs 13 days to perform all the necessary administrative measures, as opposed to 28 days in 2010. Furthermore, KADIPA was also created and is a one-stop investment centre which resulted in a significant improvement to doing business. In addition to simplifying administrative procedures, KADIPA also promotes, facilitates and coordinates investment through public and private partnerships, privatization and commercialization. Since its establishment KADIPA has directly facilitated the investment of more than 50 foreign and domestic companies.

The Kaduna state business environment is characterized by government policies, opportunities, and challenges. Some of the investment opportunities attracted to the state include Mahindra tractors assembly plant, Arla foods, and fertilizer blending plant.

- i. Mahindra Tractors assembly plant: Mahindra tractors assembly plant is a joint investment of the Springfield Agro Limited and the Ramindra Tractors Manufacturing Corporation of India to produce 3,000 tractors yearly. The inauguration of the plant would improve the agro-allied, industrial sectors of the economy and also create job opportunities in Kaduna state. Hence, position the state to be a destination for investors by providing an enabling business environment. Furthermore, the plant would address the challenges farmers go through in

accessing farm machinery on a yearly basis. Thus, create an enabling environment for business owners and farmers to own tractors for maximum capacity utilization. This would not only empower farmers but enable the state to boost its food production.

- ii. Arla Foods: Kaduna state government with the support and assistance of the Central bank of Nigeria, and Arla of Denmark agreed to invest in the DAMAU Milk Project. The project aims to help organize nomads; create jobs in the livestock sector; and promote economic development by training and providing a farm with about 400 crossbred milking cows and each livestock farmer having five hectares of farmland, complete with farmhouse, cattle shed and irrigated land. In addition, help to extract the milk from the cattle by establishing milk collection equipment for sustainable milking. This project would help reduce the security challenge – farmer and herder crisis by establishing a sustainable substitute to nomadic rearing of cattle.
- iii. Fertilizer Blending Plant: the USAID-funded West Africa Trade & Investment Hub awarded a \$1.4 million co-investment grant to OCP Africa Fertilizers Nigeria Limited, a firm in the production of phosphate-based fertilizers, to install modern blending equipment within its fertilizer blending plant facility under construction in Kaduna state. The project aims to produce various fertilizer blends customized to the needs of rice, maize, soybean, cassava, tomato, and other staple crops grown in Nigeria and also have the capacity to increase farmers' yields by 50-85% per hectare. In addition, provide a center of excellence where business owners and farmers will be trained on improved manufacturing and blending operations and good agricultural practices respectively. However, the major challenge the project faces is that of creating significant retail and distribution structures across Kaduna state that will ensure easy and timely access to quality inputs by farmers in rural communities.

In terms of challenges, Covid-19 drastically reduced business activity and affected tax collection capabilities of the state government. However, the government still has hope of achieving its 2020 target owing to the already strengthened tax collection process in the state. In order to meet up with its budgetary obligations, the government made efforts to streamline the tax collection process, making it more business friendly, transparent and efficient. These measures have already been successful: internally generated revenue doubled from 13 billion naira in 2015 to 26 billion naira in 2017, and the state government collected 44 billion naira in taxes in 2019. One way this was achieved was through legislation enacted in 2015 that simplified the tax process by ensuring businesses only pay taxes to one agency- the KADIPA. To further encourage business owners and potential investors, tax rates were lowered and taxes waived for small businesses in light of the pandemic.

Furthermore, some other major challenges to businesses in the region include the following:

- Insecurity is one of the most notable challenges to businesses in the area. So many farmers cannot access their farms and the crops planted are always destroyed by cattle and herders in the region, thus, leading to low output. Farmers' herders clash is very common in the area and this has led to the death of many farmers.
- Linkages i.e., access to market and off-takers were also identified as a challenge. The poor road network from farms to market and vice-versa is a major challenge.
- Poor and inadequate extension services.
- Inadequate funds, poor or no access to credit facilities.
- Low yields due to lack of farmers' access to adequate inputs and improved varieties.
- Lack of knowledge on new innovative practices.
- Lack of processing equipment, storage facilities, irrigation facilities and machinery such as tractors to adopt fully mechanized farming are unavailable to farmers.
- Rural-urban migration was identified as a challenge since the majority of youths leave the rural areas to urban areas in search of white-collar jobs thereby creating a huge labor supply gap.

- High gender discrimination in the region was also identified as a big challenge as women are often not given the same opportunity given to their male counterparts in regard to access to loans and other empowerment by the government to farmers.

IMPLICATIONS FOR AGRI-FOOD VALUE CHAIN ACTORS IN EBONYI STATE

Kaduna state economy is primarily agricultural. The Agri-Food sub-sector employs more than 42% of the workforce across 1.3 million households, most of whom are small-scale farmers. Major crops include maize, yam, rice, guinea corn, soya bean and peanuts. Kaduna state is the number-one producer of maize, producing 22% of all maize consumed in Nigeria as of 2017, and 10% of peanuts. Many cash crops are also cultivated, including ginger, shea butter and tobacco. In recent years the state has seen increased investment in value-added production such as establishment of important agro-processing plants for dairy products, soft drinks, flour, groundnut oil and cigarettes. There has been significant growth in crop and livestock production in recent years, both rising by approximately 42% between 2013 and 2017.

Kaduna state's agricultural policies focused on eliminating government fertilizer distribution, and a liberalized seed policy seeking to enable the entrance of more private actors. Other policies underlying the agricultural transformation agenda include increasing access to land and financing, creating agribusiness entrepreneurship centers, revising the Land Use Act to enable easier access for investors and rapidly expanding irrigation facilities. Despite all these policies to boost the Agri-Food sub-sector in the state, the agricultural sector has been faced with various challenges including predominance of smallholder farms; the high cost of credit; limited irrigation, inadequate storage facilities; poor value of crop production and insecurity, especially kidnapping and banditry, which have sacked communities in the outskirts of Kaduna state.

However, to address some of these issues, given the state's competitive agricultural advantages and vast arable land, the government prioritized agriculture as the sector for investment, as well as agri-business and agro-industry. For example, the state is the largest producer of maize, ginger, soya beans and tomato in the country, as well as the second-largest producer of rice. The focus of the state government is on improving farmers' productivity and making Kaduna state a base for processing plants and other agri-businesses. To show its readiness in boosting industrial revolution and creating employment for the teeming youths of the state and improving lives of its citizens through Agri-Food based investments; the state government attracted multinational companies and investments to the state. In addition, to address the infrastructure deficit in the sector, the Kaduna state infrastructure master plan 2018-2050 aims for a total investment outlay of 93 billion naira for six silos and 23 processing facilities – one in each local government area¹. Some of the Agric-Food business investments attracted to the state include OLAM International, Alliance for Green Revolution in Africa (AGRA), Nigeria Incentive-based Risk Sharing for Agricultural Lending (NIRSAL), Small and Medium Enterprise Development Agency (SMEDAN) and Tomato Jos.

- i. Olam Feed Mill and Hatchery: Olam International, a leading agri-business that has invested 100 million US dollars on animal feed mill, poultry breeding farms and a hatchery producing day-old-chicks in Chikun Local Government Area of Kaduna state. Some of the benefits of the OLAM in Kaduna state included: diversification of agriculture, since OLAM are into maize production, maize processing to animal feeds and poultry production; domestication of birds in Kaduna state and these birds are gotten with quality control assurance and with proximity; and reduction in the cost on transportation and handling of the birds, since all these processes are handled in the state. Also, boosting the economic growth and development of agriculture in Kaduna state as it has employed many youths to work in its farms and processing facilities. In

¹ <https://agric.kdsg.gov.ng/our-policy>

terms of challenges, OLAM identified poor power supply, inability to get raw materials, lack of good road network, and activities of middlemen as some of the major challenges faced.

- ii. AGRA: AGRA aims to ensure that smallholders have what they need to succeed: good seeds and healthy soils; access to markets, information, financing, storage and transport; and policies that provide them with comprehensive support. The project has reached over 280,000 farmers in the state and has implemented multiple demonstration plots and demonstration activity. In addition, the project is working on the value chain of maize, rice and soya bean, then there's also the one that is related to this community-based advisors, that is, parallel extension network support and then creating market linkages and also there is capacity building for the ministry's senior management staff. The state involvement of the private sector, like AGRA in the activities of the sector, is bringing on financial institutions to support actors. It has moved farmers closer to the market, improved the quality of products, encouraged participation of the youths and also educated farmers. The major challenge faced by AGRA is poor awareness and synergy between them and other relevant stakeholders.
- iii. NIRSAL: NIRSAL has facilitated over 6 billion naira into strategic projects in the pre-upstream and midstream segments of the agricultural value chain by Stanbic IBTC Bank in Kaduna State. NIRSAL structures financing deals that are collateralized by inventory, making access to finance easier and smoother for borrowers. In addition to guaranteeing agribusiness loans, NIRSAL aims at achieving food sufficiency, stimulating economic growth and creating jobs through agribusiness through its various value chain activities in Kaduna state. Thus, by providing finance in the form of low interest rate credit facilities to thousands of farmers in one segment of the value chain, other segments are positively impacted. Some of the challenges with NIRSAL included the problem of identifying the real farmers and those willing to farm and also no follow-up or monitoring of farmers after release of loans.
- iv. SMEDAN: SMEDAN grants loans to businesses that are in processing and are required to pay back only 70 percent. The remaining 30 percent is the grant. The major challenges faced by SMEDAN is the inability to access farmers to inform them of loans and monitoring loans given to them. Also, farmers lack the motivation to collect and return loans.
- v. Tomato Jos: Tomato Jos is an agro-processing tomato paste factory launched in Kaduna state that can produce one carton of tomato paste sachets every minute. Tomato Jos works with smallholder farmers to increase yield, reduce losses after harvest, and get optimum returns from sales to customers. Since it was founded in 2014, the company has directly supported over 70 farmers in growing their average yield by over 340 percent from 5 to 22 metric tons per hectare, while increasing average direct income for the local economy each year. Moreover, tomato cultivation in Kaduna state employs approximately 73,500 male and 8500 female farmers, cultivating almost 800,000 tons of tomatoes valued at 7.2 billion naira. Thus, making Kaduna state the largest producer of tomato in Nigeria. Also, providing tomatoes to some 5 million customers in the state and beyond with an estimated potential of over 1 million tons of output in the dry season and 666,000 tons in the wet season.

TRACKING FOR SUSTAINABLE DEVELOPMENT

Despite its rich culture and history, Kaduna state remains economically poor. The fortunes of individual industries have ebbed, and the state has always suffered from widespread poverty, particularly in rural areas. Although labor is abundant, the other key inputs to development – human capital, material capital and technology – are all in extremely short supply, preventing the private sector from expanding and the economy from developing new capabilities. Moreover, 84.9% of residents earn less than the international poverty line of \$1.90 per day (using PPP conversion to 2011 exchange rates and inflation adjustment). The Nigeria Bureau of Statistic (NBS) report also estimated Kaduna state's \$1 per day poverty rate in

2010-11 to be 61.8%, five percentage points above the national average. The difference reflects the weaker economy in the north of the country. Nonetheless, Kaduna's poverty rate may be somewhat lower than other states in the north – the state has lower poverty rates than all the other states in the northeast and northwest except Borno state.

Poverty in Kaduna state is experienced most frequently by women, the young, the unemployed and those living in rural areas, with 86.8% of rural dwellers living below the poverty line. The report also showed that 84.5% of males are below the poverty line while about 85.1% of females are poor. However, people experience poverty in different ways, with a range of deprivations limiting their ability to engage in a productive life. In Kaduna state, the majority of households have access to key basic services, but significant minorities are deprived of their access to transport, electricity, clean water, healthcare, economic opportunities or legal protection. The most important assets of most rural dwellers in the State is their farmland, while those in the urban areas have access to homes and place of work or business. Guaranteeing access to these assets not only provides an important source of services to reduce poverty but also provides the stability to support longer-term investments that enable families to climb their way out of poverty. To this end, the State's efforts to digitize land records and resolve disputes has met with some success.

In order to further reduce poverty and hunger in Kaduna state, of which are key goals of the SDGs, a wide range of policies to reduce poverty have been formulated and implemented in Kaduna state. One of such policies is the construction of a 415 kilometers road to improve farmers' access to markets and improve productivity for urban workers. This has had an immediate impact, with the proportion of households reporting good access to roads rising from 66.2% in 2015 to 76.8% in 2017. In the agricultural sector, the Kaduna state government intervened by provision of 50,000 tons of subsidized fertilizer to 250,000 farmers.

To end hunger, achieve food security and improved nutrition and promote sustainable agriculture, the Kaduna state government has formulated, and supported policies aimed at promoting private investment in commercial agriculture, as evidenced by the investments by Vicampro, Olam, Dangote and other key investors. Complementary to this, public investment in rural roads, water supply and irrigation are aimed at improving productivity, reducing post-harvest losses and more integrated markets. Policies aimed at rehabilitation of irrigation schemes, vaccination of animals, and grazing reserve development have also been developed and implemented. The World Bank's commercial agriculture development and FADAMA Projects have helped establish aggregation centers and poultry farms, and trained farmers. To tackle worrying nutrition indicators, the State has established the state committee on food and nutrition and Kaduna Emergency Nutrition Action Plan (KADENAP) which seek to coordinate policy.

In 2018, the Kaduna state government launched the Kaduna State Women Empowerment Fund (KADSWEF). The fund disbursed N200 million to women across the State as MSME loans². Over 7,000 women benefited from the scheme and have since begun repaying their loans. To cater to the health needs of the populace, the Kaduna Contributory Health Insurance Scheme Law was enacted, and the Kaduna Contributory Health Management Agency (KADCHMA) was established to manage it. This Scheme was designed to widen the net of coverage and to ensure that all residents of the State, including the poor and vulnerable, have access to quality healthcare. Beyond that, Kaduna state provides free medical treatment of children under the age of five and elderly citizens over the age of 65 across the State.

More so Kaduna state is one of the states participating in the Agro-Processing, Productivity Enhancement and Livelihood Improvement Support (APPEALS) project, a four-year project, where 10,000 direct beneficiaries in Kaduna state were selected, many of whom have been trained. The project in Kaduna state targets three Priority Value Chains (PVCs) of dairy, ginger and maize production, considering the state's advantages in those value chains. Some of the beneficiaries will go into other value chains such as

² <https://www.opengovpartnership.org/>

poultry, rice, tomato production and fish farming. Also, in order to help households and small businesses that were affected by the effect of the pandemic, the Central Bank of Nigeria (CBN) through NIRSAL Micro Finance Bank, disbursed 503 million naira as loans to about 1 million Nigerian businesses as beneficiaries³. In the same vein, 105,244 Anchor Borrowers' Program (ABP) successful applicants have received loans amounting to 31 million naira while 5,527 Nigeria Youth Investment Fund (NYIF) have also drawn down 1 million naira loans. The ABP is mainly targeted at farmers. The positive effect of the ABP on rice production was seen from the display of massive rice pyramids of paddy rice harvested across the country from farmers who participated in the ABP on the 18th of January 2022.

With a land area of 4.5 million hectares, out of which two million is arable land, Kaduna state is an agrarian state with over 70 percent of the population engaged in crop and livestock production⁴. Despite all the various policies, programs and intervention of the state government in trying to reduce poverty, hunger and meeting up with achieving the sustainable development goals in Kaduna state; poverty, hunger, good health care and other social issues seems not to have reduced. Kaduna state been an agrarian state with majority of citizens been farmers and government getting a large chunk of their internal generated revenue from Agri-Food based sector, there is no doubt that a good business environment conducive for doing business in this sector will be vital in achieving the SDGs objectives of the Kaduna state government. Some of the identified challenges faced by this sector included:

- Insecurity is one of the most notable challenges to businesses in the area. So many farmers cannot access their farms and the crops planted are always destroyed by cattle and herders in the region, thus, leading to low output. Farmers herders clash is very common in the area and this has led to the death of many farmers
- Linkages i.e., access to market and off-takers were also identified as a challenge. The poor road network from farms to market and vice-versa is a major challenge
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- Lack of knowledge on new innovative practices
- Lack of processing equipment, storage facilities, irrigation facilities and machinery such as tractors to adopt fully mechanized farming are unavailable to farmers
- Rural-urban migration was identified as a challenge since the majority of youths leave the rural areas to urban areas in search of white-collar jobs thereby creating a huge labor supply gap
- High gender discrimination in the region was also identified as a big challenge as women are often not given the same opportunity given to their male counterparts in regards to access to loans and other empowerment by the government to farmers.

Furthermore, for the Kaduna state to further improve on their effort to curb hunger and poverty and achieve the other SDGs the state government needs to do more in terms of policies, programs and interventions aimed at boosting agriculture sub-sector.

POLICY RECOMMENDATION

The Kaduna state government has formulated and implemented several policies over the years to curb poverty, hunger and improve food security, improve health and wellbeing, provide clean water and sanitation, decent work and economic growth and other social and physical needs of its citizens. Even with all these policies put in place to achieve some of these SDGs, there are still a lot of its citizens living in hunger, starvation, living in dirty and unclean environments etc. This may have been caused by

³ <https://kadunaappeals.com/>

⁴ <https://kadipa.kdsg.gov.ng/>

improper implementation of policies, policies not well formulated or policies not reaching the target audience. Moreover, challenges in daily operations of businesses too might be a major challenge in policies not achieving the laid down objectives it was met to achieve.

In order for Kaduna state to meet up with achieving the specific objectives of the SDGs, particularly the goals of zero hunger and poverty; the government will have to create policies to address these challenges and if these policies are existing, the government should ensure proper implementation. It is therefore recommended that policies should be formulated and implemented to address these challenges:

- Power is a major challenge for Agri- Food entrepreneurs. It is very important that policies should be formulated and implemented to improve power supply and reduce cost of power.
- The goal of agricultural extension services in promoting and improving the Agri-Food sub-sector cannot be over emphasized. Policies that will improve extension agent to farmers ratio should be formulated and implemented. This will help in easy dissemination of information to farmers and also bring farmers problems to government, NGOs and research institutions.
- Security has become a major issue in Kaduna state. This has greatly affected productivity of the Agri-Food industry and also the state government effort in meeting its effect in actualizing its SDGs objectives, especially in its effort to eliminate hunger and poverty. Many farmers are displaced from their homes and cannot access their farms. This has led to increased hunger and poverty across the state, especially among the rural dwellers. For Kaduna state to be successful in their SDGs efforts, the security situation of the state needs to be improved. Government should put measures in place to ensure that farmers' lives are safe, as well as their businesses.
- Lack of inadequate funds is also a major business challenge. This has made so many farmers to remain in the peasant level of farming due to lack of funds to hire labor or purchase modern farming equipment. Policies geared toward providing or improving agricultural financing should be implemented and/or improved on if the State has an existing policy.
- Policies to improve farmers' access to equipment such as processing equipment, irrigation facilities, tractors, and storage facilities should be formulated. For instance, farmers' access to machinery such as tractors will increase output, improve farmers' welfare and encourage exportation as many farmers will move from peasant farming to semi-commercial and commercial farming. Thus, improve productivity and reduce poverty and hunger.

CONCLUSIONS

Kaduna state is an agrarian state and a leader in cultivation of various key crops such as maize, rice, tomato, ginger and cotton, of which are key to the development of Nigeria. This makes investment in agriculture key to achieving fundamental SDGs such as zero hunger and poverty. Despite implementing policies aimed at developing the Agri-Food sub-sector to improve welfare, reduce poverty and hunger; majority of Kaduna state residents are still living below the poverty line. This poverty and hunger trend may be due to the fact that either the policies are not properly implemented or well-structured to tackle various problems facing Agri-Food businesses in Kaduna state. Hence, the need for proper policy formulation and implementation targeted at improving the Agri-Food sub-sector, including creating wealth and reducing hunger and poverty.

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