

Nigeria Agriculture Policy Activity

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NAPA Highlight #13

Strengthening the Business Environment for Agri-Food Enterprises in Nigeria: Engagement with Stakeholders in Benue, Kaduna, and Niger States

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 are living 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 at 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 in 2017. (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 the understanding of 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 first engagement brought together stakeholders from Benue, Kaduna, and Niger States to Makurdi, Benue State on Monday, February 14, 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 soyabean. Several associations operating within these agricultural commodities exist, however for the study we limited our consultation to associations registered and recognized by the respective State Ministries of Agriculture. In this regard, the following associations were included in the stakeholder selection:

- All Farmers Association of Nigeria (AFAN)
- Catfish Farmers Association of Nigeria
- Rice Farmers Association of Nigeria
- Nigerian Association of Women in Agriculture
- Maize Farmers Association of Nigeria
- Cowpea Farmers Association

The associations selected representatives who were well versed in the workings of agribusiness enterprises, particularly as regards the association in their respective states.

Other stakeholders identified and thus invited to the roundtable workshop included:

- 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) State Chamber of Commerce, Industry, Mines and Agriculture

50 participants attended the roundtable workshop: 15 from Kaduna State (13 males, 2 females), 16 from Niger State (13 males, 3 females) and 19 from Benue State (13 males, 6 females).



Dr. Oyinkan Tasia during his opening remark and presentation on AfCFTA

Dr. Oyinkan Tasia and two alumni of the Nigeria Agricultural Policy Project scholars’ scheme (Monday Shaibu and Dr. Hephzibah Obekpa) facilitated the workshop. The motivation for the roundtable workshop was provided by Dr. Tasia who emphasized the need for firsthand information on the business environment for general businesses and agri-food enterprises. This has become imperative considering Nigeria’s ratification of the Africa Continental Free Trade Area (AfCFTA) agreement in 2021.



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

The Roundtable workshop commenced with the administration of a perception survey on the participants. The overarching objective of the perception survey was to obtain baseline information that evaluates the knowledge base of participants, as

regards policy issues and the existing policy frameworks. The perception survey was three pronged; the first was on the business environment in the respective states at a general level; the second was specific to agri-food enterprises; and the last was on the policy framework which included a question on the African Continental Free Trade Area Agreement (AfCFTA). A preliminary analysis of the data revealed low level of awareness of AfCFTA and its implications on the business environment. This finding aligns with that of the National Policy on Micro, Small and Medium Enterprises.

Focus Group Discussion also featured in the Roundtable Workshop. Participants were divided into state groups composed of policy makers and private sector, and subsequently into stakeholder groups – comprising policy makers and the private sector. Feedback from each group session discussions showed similarities and dissimilarities. It also created a peer-learning fora for participants. For example, one key challenge that was observed was the issue of double taxation. In this regard, it was noted that Kaduna State had established the Kaduna Investment Promotion Agency and in doing so had addressed this concern in the State. Peers from other states agreed that this is a learning experience for implementation and sought technical support from the Project.

Participants exhibited vast knowledge of the business environment and Agri-food enterprise in their various states. They provided valuable insights on ways the business environment of MSMEs can be improved, to better grow Nigeria’s economy. Some of these insights include:

- Strengthening famers’ capacity by encouraging climate smart and regenerative agriculture hence discouraging the use of inorganic fertilizers and chemicals. This is to enable agricultural produce and products to meet required standards.
- Creation of awareness and improvement of the knowledge of the MSMEs in financial literacy and exploring the potentials 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.

- Equipping MSMEs with the right logistics and connecting them with Nigerian trade groups in other African countries (and trade cities).



Cross section of participants from Niger State

The workshop provided helpful feedback regarding knowledge gained by both the facilitators and participants. For example, some of the participants learned about the existence of AfCFTA and why it was ratified by the Nigerian government. Furthermore, the workshop created an avenue for knowledge sharing as successes and models that are effective in some States were proposed for adoption by the other participating states. For example, Kaduna State talked about how the problem of multiple taxation was addressed.. The participants commended the dialogue and expressed the hope that capacity strengthening would continue between NAPA and their various organizations. According to one of the participants, *“I sincerely thank the organizers of this workshop for providing this kind of opportunity and creating an enabling atmosphere for knowledge sharing. This one-day program will indeed positively influence business activities in general and in the agri-food sub-sector in particular. We hope that this kind of collaboration would be sustained”*.



Cross section of non-government (MSMEs) stakeholders during the focus group discussion

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 participants from Kaduna State, Nigeria



Cross section of participants from Benue State, Nigeria

By: Monday Ufedo Shaibu and Dr. Hephzibah Obekpa

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