

CREATING CONDUCTIVE ENVIRONMENT FOR AGRO EXPORT

ADDRESS BY DR. ERNEST A. UMAKHIHE, PERMANENT SECRETARY, FEDERAL MINISTRY
OF AGRICULTURE AND RURAL DEVELOPMENT

AT THE AIRPORT BUSINESS SUMMIT AND EXPO (ABSE) AFRICA 2021 ON CARGO AND AERO
LOGISTICS DEVELOPMENT HELD AT THE NIGAV EXPO CENTRE, MURTALA MUHAMMED
AIRPORT, LAGOS ON TUESDAY, JUNE 22, 2021

Protocol

It is my pleasure to be here today and to appreciate the opportunity for me to participate as a Special Guest and Speaker on the subject titled “**Creating Conducive environment for Agro Export**”.

2. The Federal Ministry of Agriculture and Rural Development's core mandate is to work with key stakeholders to build an agribusiness economy capable of delivering sustained prosperity by meeting domestic food security goals, generating foreign exchange through exports and supporting sustainable income and growth.
3. I would like to commend the effort of Messrs. FCI limited for organizing this august Business Summit and Expo aimed at promoting Cargo and Aero logistics development towards boosting our local investments and foreign exchange earnings from our exports.
4. It is persuading that agriculture is fast becoming the buzz across trade and investment circles, particularly in the face of the perennially dwindling oil prices and devaluation, recent global economic meltdown resulting from the COVID-19 pandemic and the attendant desire of Government to diversify the economy to boost the productive and revenue base of the country while engendering increase in food and agricultural production for local and international markets and foreign exchange earnings.
5. The need to get everybody into agriculture has been one of the cardinals of the Economic Recovery and Growth Plan (ERGP) of the Federal Government with emphasis on developing and boosting food production and developing an export led economy. The diversity of engagement in our agriculture from small holder to agribusiness with infrastructural development is gaining high prominence. No doubt, this expo would further assist to build the needed awareness and create more opportunities for greater development in these areas.
6. Interestingly, Nigeria is among the global emerging markets, ranked as 23rd and 27th largest economy in terms of purchasing power parity and nominal GDP respectively. Nigeria accounts for 47% of West Africa's population and 20% of

total population of sub-Saharan Africa and has one of the largest youth population in the world. Its re-emergent manufacturing sector became the largest on the continent in 2013 while also producing a large proportion of goods and services for the West African sub-region.

7. Nigeria has huge potential in Agriculture with over 84 million hectares of arable land of which 40% is cultivated, a population of over 200 million making it Africa's largest market, 230 billion cubic metres of water making it one of the richest sources of agricultural growth in the world. The agricultural sector currently accounts for 22% of the nation's GDP and 75% of the total non-oil exports. The GDP for agriculture in Nigeria averaged US\$17.6 billion from 2010-2015 and reaching an all-time high of US\$23.3 billion in the first quarter of 2014. The sector is the largest employer of labour in the country.
8. Our agenda is to guarantee the vibrancy of the sector; agriculture must be seen as a business and haven for investment. We are integrating food production, storage, food processing and industrial manufacturing to establish the linkages necessary in the agricultural commodity value chain. The value chain as a development strategy considers the role of the players from food production to consumption and designed to empower the small holder producers, ensure that processors have good quality raw material and the consumers accept products with satisfaction.
9. We are engaging a renewed focus of growing the non-oil sector of the economy which has led to the implementation of policies geared towards encouraging farmers and agribusiness investors. We have established a development framework for the agricultural sector as encapsulated in the Agriculture Promotion Policy (APP) with specific strategies to build an agricultural economy capable of delivering sustained prosperity by creating domestic food security goals, generating export and supporting sustainable income and job growth.
10. An enabling environment for efficient and quality agricultural produce export is promoting the development of air logistics for perishable agricultural produce especially considering the fact that air freight is faster, safer and more conducive than land and ocean freights, although, more expensive. This effort expectedly would reduce the nation's massive losses of opportunities in agricultural commodity export worth N3.6 trillion as a result of poor operational and investment drive in this sector of the economy as well as the aviation sector; especially considering the emerging trade and investment opportunities open to Nigeria from the African Continental Free Trade Area (AfCFTA) Agreement expected to commence in 2021. We must therefore as a matter of urgency take necessary positive steps to move forward.

11. Interestingly, there have been calls on the government to convert some airports to cargo airports; in view of the existing agro-export potentials where such airports are located. Considering the perennially dwindling global oil prices and the commitment of government to diversifying the economy through development of non-oil exports, it is innovative to consider the development of cargo airports especially at some strategic locations across the country.
12. A one stop-shop quality inspection framework along air logistics chain that allows shippers to access services of relevant government agencies such as the Nigeria Customs Service (NCS), National Agricultural Quarantine Service (NAQS), Standard Organization of Nigeria (SON) and the National Agency for Food and Drug Administration and Control (NAFDAC) for both local and international freighting will be desirable.
13. Considering the importance of ensuring availability of quality agro commodities for export, government is committed to providing necessary infrastructural support to facilitate logistics for easy and timely movement of agro produce from the farm gate to the market to avoid perishability. Designated "Local/Urban exports market" identified in agro-produce hubs in the geographical zones of the country and equipped with basic infrastructural facilities for weighing, sorting, grading, packaging of produce will largely improve the quality and acceptability of our agro exports to various international markets.
14. In the same direction, Government is committed towards promoting and enhancing global quality standards by exploring the opportunities being provided through the Global Good Agricultural Practice (GAP) Certification which will afford free, unrestricted acceptance of Nigeria agro-exports across the international markets while also propelling the country's agro-export leadership in the African Continental market.
15. There is also the need for increased emphasis on Inter-ministerial commitments and concertedness by the Federal Ministry of Agriculture and Rural Development, Federal Ministry of Transport, Federal Ministry of Aviation, Federal Ministry of Industry, Trade and Investment to address improved access of agro produce to international markets; development of comprehensive agro air logistics policy, removal of clustering and touting at the freight corridors, demarketing of Nigeria and lack of professional manpower placements, improved support to private investors, resuscitation of air cargo projects and expansion of air cargo apron, especially at our International Airports; amongst others.
16. I am strongly of the view that with improvement in the aforementioned areas, the development, operational and investment gaps between agro perishable

industry and the aviation sector of the economy will be closed and creating massive opportunities for new jobs, more revenue for our farmers, increased airport revenue, reduction in the cost of perishables, healthy food to boost level of food security, increased revenue for airlines, foreign exchange earnings from agro exports, creation of investment opportunities into special cargo services and promotion of investment into cold chain logistics.

17. Distinguished Ladies and Gentlemen, on this note I thank you for listening and wish you a resourceful and rewarding Business Summit and Expo.