

Business and Investment Environment in Nigerian Agriculture Sector

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Kunle Fadare
**on behalf of the Nigerian Association of Chambers of Commerce,
Industry, Mines and Agriculture (NACCIMA)**

Presentation Outline

- Introduction (establishment and mandate of NACCIMA)
- Investment Opportunities in Nigeria
- Challenges Private Companies are facing in Nigeria regarding the mechanization of the agricultural sector
- How are organizations such as NACCIMA and other private groups addressing these challenges.
- Conclusion



Introduction

The Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) was established in the year 1960 as the umbrella organization for various member chambers within Nigeria.

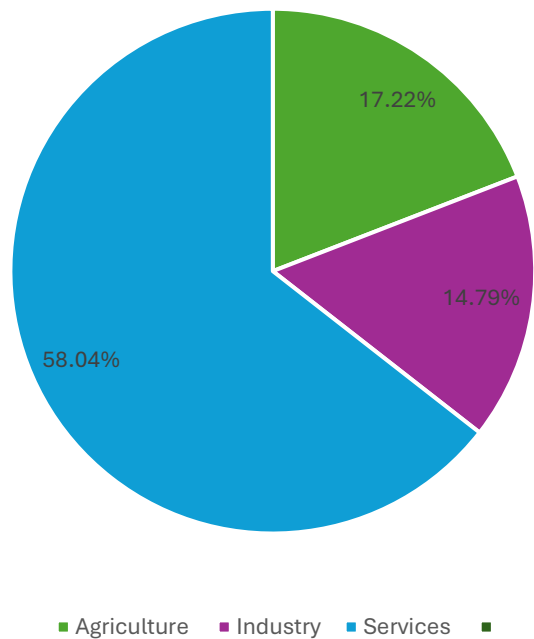
The Association's membership includes City, State and Bilateral Chambers of Commerce; Business/Professional Associations and Corporate organizations. At present, there are Seventy (71) City or State Chambers of Commerce, eleven (11) Bilateral Chambers of Commerce, Fourteen (14) Business/Professional Associations, and Four hundred and twenty (420) corporate bodies, who are direct members of the Association. These members account for over forty thousand (45,000) business entities within the country.

As the “Voice of the Nigeria Business” NACCIMA has a mission to ensuring an enabling business environment through policy advocacy and promoting the growth and competitiveness of businesses through proper and prompt information dissemination using modern technology comparable to the best universal standard of Chambers of Commerce and Industry anywhere in the world.

Investment Opportunities in Nigeria

Nigeria, with a population exceeding 200 million, boasts a diverse economy. Traditionally reliant on oil, which remains a critical sector, Nigeria is rapidly diversifying its economic base. Key sectors driving this diversification include Agriculture, Industries, and Services. The Nigerian economy, despite challenges, has shown remarkable resilience and potential for growth.

KEY SECTORS CONTRIBUTION TO GDP: Q1 2024



INVESTMENT	OPPORTUNITIES	IN NIGERIA	
AGRICULTURE	SERVICES	INDUSTRIES	TELECOM
Crop Production: Investing in high-value crops like organic produce, specialty grains, and horticulture.	Healthcare: Investment in hospitals, telemedicine, and healthcare technology.	Manufacturing: Opportunities in automotive, electronics, textiles, and consumer goods manufacturing.	Network Expansion: Investing in infrastructure for 4G/5G networks and broadband connectivity.
Livestock Farming: Opportunities in dairy farming, poultry, and aquaculture.	Education: Online learning platforms, private educational institutions, and vocational training centers.	Renewable Energy: Investment in solar, wind, and hydroelectric power projects.	Mobile Services: Developing mobile applications and value-added services.
Agri-tech: Investment in technology for precision farming, drones, and data analytics to improve yield and efficiency.	Tourism and Hospitality: Development of resorts, hotels, and tourism services.	Pharmaceuticals: Production of generic drugs, biotech research, and medical devices.	Data Centers: Establishing data storage and cloud service facilities.
Agro processing: Adding value through processing raw agricultural products into finished goods.	Financial Services: Fintech innovations, microfinance institutions, and mobile banking solutions.	Construction: Infrastructure development, real estate, and sustainable building materials.	IoT (Internet of Things): Innovations in smart devices, home automation, and industrial IoT solutions.
Agri-financing: Providing financial services tailored to farmers' needs, such as microloans and insurance.	Logistics and Transport: Enhancing supply chain management and transportation infrastructure.	Mining and Metals: Exploration and extraction of minerals, precious metals, and rare earth elements.	Telecom Equipment: Manufacturing and supplying telecom hardware like routers, switches, and towers.

Challenges Private Companies are facing in Nigeria regarding the mechanization of the agricultural sector?

- **Funding and Investment:** Securing adequate funding for purchasing and maintaining agricultural machinery can be challenging. The high cost of equipment is often a barrier for many companies.
- **Infrastructure:** Poor infrastructure, such as inadequate roads and electricity, can hinder the effective deployment and operation of machinery in rural areas.
- **Skill Gap:** There is often a lack of trained personnel who can operate and maintain advanced agricultural machinery, leading to inefficiencies and downtime.
- **Importation Costs:** Many agricultural machines are imported, leading to high costs due to import duties, taxes, and fluctuating foreign exchange rates.



Challenges Private Companies are facing in Nigeria regarding the mechanization of the agricultural sector? **Continued**

- **Maintenance and Spare Parts:** Availability of spare parts and service centers for machinery is limited, making maintenance difficult and costly.
- **Regulatory Issues:** Navigating the regulatory landscape, including import regulations and compliance with local standards, can be complex and time-consuming.
- **Market Access:** Smallholder farmers, who make up a significant portion of the agricultural sector, often have limited access to mechanization services due to cost and logistical challenges.
- **Adoption Rates:** There may be resistance to adopting new technologies among farmers due to traditional practices, lack of awareness, or fear of change.





How are organizations such as NACCIMA and other private groups addressing these challenges?

- Engaging with government agencies to advocate for policies that support agricultural mechanization in Nigeria.
- Advocate for the reduction of import duties on agricultural machinery and spare parts.
- Promoting investment opportunities in the agricultural sector to attract both local and foreign investors e.g. Trade Fairs and Trade Missions.
- Collaborate with other institutions to organize workshops and seminars to disseminate best practices and technological advancements in agricultural mechanization.

How are organizations such as NACCIMA and other private groups addressing these challenges? Contd

- Encouraging local production of agricultural machinery to reduce dependence on imports.
- Facilitating market linkages to ensure farmers have access to affordable and appropriate mechanization solutions.
- Creating platforms for farmers to connect with machinery suppliers and service providers.



Conclusion

Nigeria stands at the threshold of a new era of economic growth and development. The country's diverse economy, youthful population, and strategic initiatives make it an attractive destination for investment. By seizing the opportunities in agriculture, technology, manufacturing, energy, infrastructure, healthcare, and education, investors can contribute to Nigeria's transformation and benefit from its promising future.

Ladies and Gentlemen, I invite you to explore the vast potential of Nigeria and join us in this exciting journey of growth and prosperity. Together, we can build a stronger, more resilient Nigeria, and in doing so, create a brighter future for all