

Godwin I Emefiele: Unveiling of FCT mega price pyramids under the RIFAN-CBN Anchor Borrowers' Programme

Opening remarks by Mr Godwin I Emefiele, Governor of the Central Bank of Nigeria, at the unveiling of FCT mega price pyramids under the RIFAN-CBN Anchor Borrowers' Programme, Lagos, 18 January 2022.

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1. Protocols: Your Excellency the President and Commander in Chief of our Armed Forces, Your Excellency the Vice President, the Honourable Minister of the FCT, the Honourable Minister of Agriculture, other Members of the Federal Executive Council, Colleagues from the Central Bank of Nigeria, Ladies and Gentlemen.

2. My remarks today would focus on three main themes, namely a) the outstanding results of President Buhari's vision for food security; b) the courage and persuasion of our farmers; and c) the conviction that it is still possible to do great things in our country. It is therefore with immeasurable pride and boundless satisfaction that I welcome you to today's epoch-making event, which is the official unveiling of the single largest rice pyramids ever assembled. I am particularly delighted because these stacks of these rice pyramids provide undisputable and unassailable evidence of significant progress under President Buhari's food security initiatives. We may also recall that the Anchor Borrowers' Programme was launched in the early days of this administration. It is therefore fitting that the unveiling of the largest rice pyramids in Africa is coming right within your tenure.

3. I personally salute your vision of making agriculture one of the focal points of your administration. Like the vision of great leaders that prepares countries for the unforeseen, this vision prepared us for the unanticipated impact of Covid-19 on food production. Amidst its associated disruptions in production and supply chains, which led to global increase in the price of most commodities, the resilience of our farmers and the interventions of the CBN continued to ensure the provision of the needed food stock for the populace.

4. Your Excellency, permit me to commend the Nigeria smallholder farmers and the leadership of the various commodity associations for their diligence, bravery, patriotism, and adaptability. The past few years have been quite challenging as they have battled with insurgency, banditry, lock downs and other related setbacks. Indeed, we lost some farmers to insurgency attacks nationwide whilst some could not access their farmers for several months. Yet, they kept the faith. They did not give up. They persevered. They did not abandon our fight for food self-sufficiency. Today's event, therefore, is a celebration of their doggedness and an appreciation of their commitment to food security.

5. The Anchor Borrowers' Programme has catalyzed the rural economy and has built a sustainable framework for financing small holder farmers in Nigeria. The Programme has developed an ecosystem among all nodes of the agricultural value chain and these linkages can be better optimized through synergy among all stakeholders. As at the end of December 2021, we have financed 4,489,786 farmers that cultivated 5,300,411

hectares across 21 commodities through 23 Participating Financial Institutions in the 36 States of the Federation and FCT.

6. We are delighted that these efforts have yielded fruits in not just increasing the availability of rice, but also in moderating prices, reducing imports and increasing job creation in the country. For example, Thailand alone exported 1.3 million metric tons of rice to Nigeria in 2014. The ABP was launched in 2015 to curtail these imports, and since then, we have seen incremental reductions in rice imports from Thailand. By 2016, rice imports from Thailand had fallen to only 58,000 metric tons. As of the end of 2021, they only exported 2,160 metric tons to Nigeria, thereby saving us foreign exchange and helping preserve jobs in Nigeria.

7. Beyond increasing our national output from about 5.4 million metric tons in 2015 to over 9 million metric tons in 2021, we have also significantly improved the productivity per hectare of the smallholder farmer from about 2.4 metric tons per ha in 2015 to between about 5 metric tons per ha in 2021. These expansions have not only made Nigeria the largest rice producer in Africa, but has also unlocked enormous private sector investment in the rice value chain as the number of Integrated Rice Mills grew astronomically from 6 in 2015 to over 50 in 2021 with many more in various stages of completion. Today, Nigeria's milled rice matches the foreign rice in quality. Your Excellency, as part of this event, you will be inspecting some of the numerous Nigeria milled rice in the exhibition stands.

8. Taking a cue from our success in the rice value chain, we commenced the "Brown Revolution" last year as our mantra for the transformation of the wheat value chain in Nigeria. Wheat is the 3rd mostly consumed grain in Nigeria after maize and rice. It is estimated that we only produce about 1 per cent (63,000 mt) of the 5-6 million mt of wheat consumed annually in Nigeria. This enormous demand-supply gap is bridged with over \$2 billion annual importation of wheat. As a result, wheat accounts for the second highest food import bill in Nigeria, thereby putting pressure on the nation's foreign exchange reserves. We have concluded the 1st major wet season wheat farming in Plateau State and planted over 100,000 hectares of wheat across 15 States in the 2021 dry season. This strategic intervention will herald progressive reduction in our wheat import bills over the coming years.

9. We also established a Strategic Maize Reserve with the stock of maize submitted as loan repayment by our farmers. This will provide a buffer for price modulation for the poultry and feed mills nationwide. A total of 241,656.76 MT was aggregated in the 2020 wet and dry seasons, out of which 217,218.53 MT has been disposed to 18 millers and poultry farmers through the Poultry Association of Nigeria. The program was able to stabilize the poultry and livestock sectors during the pandemic and saved the industry and consumers over N10 billion in raw material costs.

10. Our experience over the years has been transformed to operational efficiency of the Programme. We have added several layers of controls to improve on transparency and accountability among all stakeholders and what you are witnessing today is a demonstration of our growth and a strong indication of the enormous potential in the Country's agricultural space. It is important to note that this is still a far cry from the

desired goal. However, the growth processes reaffirm our belief in the potential inherent in our agricultural space and we can hopefully harness them to lead the diversification agenda of the economy.

11. The mega pyramids being launched today represents aggregated paddy rice submitted as repayment of loans by RIFAN farmers under the 2020 dry season and 2021 wet seasons. Beyond the event, it also symbolizes the efforts made by our farmers to commit to loan repayment through produce submission and ultimately ensure the sustainability of the Programme. To further create value and transfer these gains along the value chain, we have mapped millers to off-take these paddies and we will track the release of their outputs to the market as we strive to manage inflation and grow the rice value chain in Nigeria.

12. The resuscitation of the Nigeria Commodity Exchange (NCX) is another strategic initiative to enhance the food security drive of your administration. A vibrant commodity exchange will significantly enhance post-harvest handling, reduce wastages and guarantee effective pricing for farmers. It will also minimize the adverse effects of the activities of middlemen, commodity hoarders and ultimately transfer the gains from primary production to other nodes of the value chain. This aligns with our resolve to take outputs as loan repayment under the ABP and the produce will drive the operations of the commodity exchange going forward.

13. We have deepened our stakeholders' engagement to increase the arable land under cultivation and improve the productivity per hectare using improved seeds and agronomic practices. We are currently exploring a new rice seed variety with RIFAN that has potential to deliver over 8 tons per ha. The pilot programme should commence in the 2022 dry season, and it has the potential of being the game changer for the rice sector in Nigeria. We will work with the various seed certification authorities and explore the possibility of patenting it for RIFAN as part of their legacies under the Programme.

14. Your Excellencies, distinguished ladies and gentlemen, all of the achievements I have highlighted above would not have been possible without the leadership and vision of President Buhari. These accomplishments also show that with the right leadership and vision, we can meet any and every challenge in this country. COVID-19 has shown that we cannot rely on imports and hence we must chart our own path to attaining self-sufficiency in our basic needs as a nation. And this must become our preeminent preoccupation going forward.

15. Your Excellency Mr. President, Sir, we have other events like the unveiling of maize pyramids by MAAN and the unveiling of inaugural rice pyramids in the South-South and South-East zone lined up for the year. We will surely be beckoning on you Sir to grace these events.

16. Mr. President, distinguished ladies and gentlemen, on behalf of the Management of the Central Bank of Nigeria and the Nigerian farmers, I thank you all for being part of this event and may God bless Nigeria.