AAH-FFP B3E Value Chain Analysis in Yobe State

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Presentation Outline

- Background on the FFP B3E Project in Yobe State
  - Concept of Value Chain Analysis (Brief)
  - Objective of the Value Chain Analysis
    - Methodology
  - Key Sector level Gaps and Challenges Identified
    - Key Results/Findings
    - Key Recommendations
  - Major Fieldwork Challenges
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Background on the FFP B3E Project in Yobe State

The Goal: To improve household food security in Yobe State, North East Nigeria

Purpose: Household food security for vulnerable beneficiaries, is improved through increased purchasing power and market strengthening.

Sub-Purpose: Immediate food consumption is increased for food-insecure households through cash transfers

Immediate Outcome 1:

- Increased access to food
- Improved household food consumption

Output: Vulnerable households have sufficient cash or voucher support to purchase food

Immediate Outcome 2: Improved efficiency of pro-poor value chain

Output 1: Strengthen capacity of market actors by providing them with socio-economic grants

Output 2: Identify groups, networks and associations that provide services such as delivering seeds and farm inputs and providing marketing functions to beneficiaries.
Concept of Value Chain Analysis

What value chain is all about?:

• A ‘Value Chain’ in agriculture describes the range of activities and set of actors that bring agricultural product from production in the field to final consumption, wherein at each stage value is added to the product.

• The production stages entail a combination of physical transformation and the participation of various producers and services up to product’s disposal after use.

What is value chain Analysis?:

• It is an approach that analyzes a production unit or process in a market chain—from input suppliers to final buyers—and the relationships among them.

• It analyzes the factors influencing performance, including access to and the requirements of end markets; the legal, regulatory and policy environment; coordination between firms in the industry; and the level and quality of support services.
Objective of the Value Chain Analysis

The main objective of this assignment: is to provide sufficient understanding on the current status and future potential of different agricultural commodities in the project area and do a value chain analysis of at least three prominent agricultural commodities, identifying specific bottlenecks and opportunities in their respective value chains that can be addressed and leveraged through the project intervention, thereby increasing production, income and employment for the rural poor.
Methodology

• Engagement of Consultant and Contract Signing
• Inception Meetings in Maiduguri and Damaturu
• Data was collected through:
  • Desk Review/Secondary Data Collection by Consultant;
  • Household Data Collection Tool;
  • FGD; and,
  • KII/Indep Interview.
• The geographical scope of the analysis covered Yobe in general and Gujba in particular, with more focus on the wards of Mutai, Goniri, Gotala/Gotumba and Ngurbuwa.
• Preliminary Report Presentation Workshops in Yobe State and Country Office, Abuja (Role of Stakeholders/Group Meeting Solution Points in Yobe State)
Key Sector level Gaps and Challenges

Targeted Organizations/Persons for Data Collection through FGDs and KIIIs

• Ministry of Agriculture
• College of Agriculture
• Ministry of Commerce, Trade and Tourism
• Ministry of Women Affairs and Social Development
• Yobe Agricultural Development Programme
• Bank of Agriculture
• National Directorate of employment.
• Community Leaders/Gate Keepers/Opinion Leaders/Group Leaders
• Market Actors/Businessmen/Traders/Major Dealers of Commodities/Agro-Inputs
Key Gaps Identified

- **Inadequate Staffing**: Staffing gap

- **Budgetary inadequacies/Inadequate funding**
  - Budget is paper based, not implemented including policy recommendations
  - Incomplete release of Budgeted funds.

- CBN Anchor Borrowers Scheme is good but Yobe state didn’t approve

- **Under-utilization of available Resources**:
  - **Water Bodies**: Yobe has 765km of rivers covering 12 LGAs for irrigation; but only 4 irrigations schemes are utilized
  - Land Resources: (Yobe has 336,000 Ha of arable land; only 40,000 Ha under production (11.9%))

- Limited Coordination between Ministry/Parastatals,

- Inadequate Capacity Building/Training for Staff

- Inadequate Equipment/Facilities to enable proper functioning of sectors
Key Sectoral Gaps (Cont’d)

• Effects of the ongoing Crisis:
  • SCOA is displaced and operating temporarily in Damaturu: Lacks labs/equipment for practical lessons.

• Lack of adequate collateral for farmers to access Credit Facilities:
  • Government cannot guarantee farmers as farmers treat this guarantee as free money and will not pay back

• Political interference, politician collect money for projects but do not reach the right beneficiaries

• Disconnection between State Offices of Federal Government Establishments with the HQs:
  • The Export promotion board is based in Abuja with an inactive office in Yobe.
Key Sectoral Gaps (Cont’d)

• Poor Attitude to Repayment of Credit Facilities obtained from Government Institutions:
  • **Bank of Agriculture (BoA) is heavily indebted**
  • **200,000,000 loans/debts at risks portfolio.**
  • Suspended direct lending to individual farmers (if was private bank would have collapsed)

• **Illiteracy of Farmers: Inability of farmers to acceptable Business plans to access facilities**
Key Results
Agro-ecological Farming Zones, Nigeria

- Pastoral
- Agro-pastoral Millet & sorghum
- Cereal & Root crop mixed
- Root crops
- Tree crops
- Coastal Artisanal

State boundary
### Key Results (Cont’d)

**Identified Sector of Economic Importance, Gujba**

<table>
<thead>
<tr>
<th>Location</th>
<th>Food Crops</th>
<th>Cash crops</th>
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<tbody>
<tr>
<td>Gujba</td>
<td>Sorghum (1)</td>
<td>Sesame (1)</td>
</tr>
<tr>
<td></td>
<td>Maize (2)</td>
<td>Beans (2)</td>
</tr>
<tr>
<td></td>
<td>Millet (3)</td>
<td>Groundnuts (3)</td>
</tr>
</tbody>
</table>
Key Results (Cont’d)

Reasons behind selecting these crops

• Does well in the climate and predominately grown here; Stable food grown in the area

• The cash crop selected generate more money than other crops

Farmers Preferences crops v’s livestock

• Quicker returns than animals (immediate needs);

• Crop sale is faster, to earn income for SMEs.
Key Results (Cont’d)

Major challenges in agro-inputs enterprises

• Poverty in farming communities; lowers demand
• Problems of stores for dealers and high rent costs
• Lack of capital for expansion.
• No specialized street; less awareness

Major problems farmers face in getting inputs

• Lack of money
• Tractors / oxen services expensive (subsidized tractor hire services is 15,000 Naira per day from YADP and 90,000 Naira per day unsubsidized
• lack skills in applications of agro-chemicals.
Key Results (Cont’d)

Major problems farmers face in getting inputs

• Problem of transportation in rainy season (Mutai).
• Inadequate gov’t programme on seed distribution (½ kg of seeds yet he may need 40kg (Mutai Ward).
• Mismatched distribution with planting season (May-June)
• No input shop/ agro-dealers in the area (own seeds and local markets)
Where do you get your planting materials, farmers

- **Own seeds**: 69%
- **Community/ Fellow farmers**: 13%
- **Local markets**: 37%
- **NGOs**: 1%
Key Results (Cont’d)

Major challenges in crop production

- Insecurity has interrupted farming greatly in Gujba and Gulani LGAs which used to be the food basket for the states. Lack of capital to buy farm inputs and meet field operations
- Unstable rainfall affecting yields (Ngurbufwa ward) but not a big issue in Mutai. Due to rainfall failure, we resort to cutting trees for firewood sale as alternative livelihoods to meet immediate household needs. The rainfall pattern in Goniri and Gotala lasts for a very short period.
- High costs of farm inputs
- Pests and diseases
- Storage pests due to poor storage and postharvest management.
- Land Degradation due to over growing crops near settlements in insecurity.
- Non existing extension system to support farmer training.
- Poor storage facilities (burnt by NSAG); sleeping rooms also used as stores
- Competition over land: (crops v’s livestock)
Major challenges in marketing of crop products

- High/double taxation: 6%
- High transport costs: 44%
- Low productivity: 50%
- High transport costs: 44%
- Apparent insecurity: 27%
- Poor road conditions: 46%
- Far distance to refinery plant/limiting processing: 10%
- Inadequate storage facilities: 13%
- Low prices: 9%
- Postharvest losses/lowering quality: 8%
- Lack of market information: 13%
- Low market demand: 11%
- Drought: 10%
- Others: 5%
State of Major Markets in Gujba
Rated satisfaction with engagement with Gov’t / Local Authorities

- Very good: 1%
- Good: 30%
- Average: 33%
- Poor: 15%
- Very poor: 20%
Key Results (Cont’d)

Major Problems in value addition and agro-processing

- No cottage industries in Yobe. (Kaduna and Kano).
- Power supply is a problem (unstable and expensive) 300 per KWh (unit).
- Outdated processing/milling machines which affects the quality of the product and prices of the end products.
- The capacity of the rice/flour mill is not met in some periods (dry seasons).
Key Results (Cont’d)

Major Problems in value addition and agro-processing
Key Results (Cont’d)

Restrictions affecting marketing, Trade, Agro-processing and extension

• Fertilizer movement. The ban is on Urea, Military bans all (N.P.K).

• Motor cycles ban affected extension works

• Fuel movement ban affected irrigation farming.

• Extortion of money at check points.
Key Results (Cont’d)

Why farmers are not accessing loan services:

- Lack of collateral security: 38%
- Long processing period: 20%
- Lot of expenses involved: 8%
- Many forms to fill: 5%
- Bribing of credit/loan officers: 2%
- High interest rates: 12%
- Unavailable banks/institutions in the area: 20%
- Others: 29%
Key Results (Cont’d)

Expected Impacts of Improved Value Chains on Households

• High production and household nutrition.
• Labour saving for women (tractor/oxen services).
• Protecting environment (cutting trees for firewood sale as alternative livelihoods) reduces
• Reduced child labour as means for alternative income earner.
• Able to make functions for youth of marriage age are able to pay dowry
Key Results (Cont’d)

Major Risks Perceived in Value Chain Upgrading: stakeholders

• Land conflicts (crops v’s livestock)
• Increased GBV; some men will attempt to marry more women
• Culturally some men prevent women to engage in trade; own land for cash crop production; and participate actively in the trade and marketing.
# Key Recommendations

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Approaches</th>
<th>Suggested Partnerships</th>
</tr>
</thead>
</table>
| 1. Access to seeds and fertilizer | Linking with input agents  
Training farmers on chemical applications | A.M.Y Agro-input dealer, Damaturu  
Super Agro-Allied Chemicals, Damaturu |
| 2. Strengthen extension services | Training farmers on crop agronomy  
Tractor hire services  
Procurement of oxen/ox ploughs | Yobe Agricultural Development Programme |
# Key Recommendations

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<tr>
<td>3. Access to credit</td>
<td>Insuring farmer loans</td>
<td>B.O.A</td>
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<td>Mobilizing farmers under N.E. Commodity agency</td>
<td>NDE</td>
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<td>Supporting business plan development</td>
<td>NECA</td>
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<td>4. Formation of viable farmer cooperative</td>
<td>Mobilizing/sensitization of farmers on cooperatives</td>
<td>Yobe Investment company</td>
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<td>Training farmers on farming as business/entrepreneurship</td>
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## Recommendations

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<td>5. Improving the conditions of the local markets</td>
<td><strong>Renovation of market stalls, drinking water, sanitary points, stores</strong></td>
<td><strong>Private construction companies</strong></td>
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Remarks

Major Fieldwork Challenges

1) Insecurity delayed data collection (HH survey)
2) Some failed appointments/participation in interviews (traders)
3) Inadequate timing to package the data
Next Steps/Future Planning

- Comprehensive Value Chain expected from the Consultant by end of December, 2018 (Validated by the Team)
- Sharing of Results with FSL Coordination Sector
- Identification/Selection of 500 BNFs for Value Chain Improvement support by the Yobe Team
- Incorporation of Value Chain findings into the 2019 Grants Proposals
- Plans ongoing with the SDC Value Chain Analysis in Borno State
THANKS 4 LISTENING