

NIGERIA



Agricultural Commodity Exchange Market (ACCOMEX)

Seven-Point Agenda: Agricultural Goals and Programs

The seven-point agenda focuses on critical infrastructure, the Niger Delta, food security, human capital development, land tenure changes and home ownership, national security and intelligence and wealth creation.

The agenda defines the framework for policy implementation to transform Nigeria by accelerating economic growth and reforms within the country to make a concrete and visible difference to the Nigerian people. The aim of the agenda is to make Nigeria one of the 20 largest economies in the world by the year 2020. One critical area of focus of the seven-point agenda is food security which underscores agricultural development and sustainable investment. As articulated in the seven point agenda, the overall agricultural sector goal is to attain national food security by ensuring sustainable access, availability, and affordability of quality food to all Nigerians and positioning Nigeria as a net food exporter.

Seven-Point Agenda: Agriculture and Food Security

The drive to achieve the food security and national development objectives as espoused in the seven-point agenda makes the

strengthening of agricultural production, processing, storage, and marketing as well as research and development imperative. In light of this, the Federal Ministry of Agriculture and Water Resources developed the five-point agenda for agriculture and national development as an implementation road map in the short and medium term towards the attainment of the objectives of the National Food Security Programme (NFSP). The strategies for the implementation of the five-point agenda are well articulated in the Federal Ministry of Agriculture and Water Resources 2010–2012 Medium Term Sector Strategy (MTSS, 2009). The strategic objective of the five-point agenda is to achieve the targets defined in the larger planning framework of the seven-point agenda, NEEDS 2, CAADP, MDGs, and Vision 2020. The five-point agenda focuses on the following key programs:

1. Developing Agricultural Policy and Regulatory System (DAPRS)
2. **Agricultural Commodity Exchange Market (ACCOMEX)**
3. Raising Agricultural Income with Sustainable Environment (RAISE)
4. Maximizing Agricultural Revenue in Key Enterprises (MARKETS)
5. Water, Aquaculture and Environmental Resource Management

Objective of ACCOMEX

ACCOMEX aims at establishing agricultural commodity exchange markets with the objective of achieving efficient marketing and price information systems. The main activities will include (a) establishment of agro-export handling/conditioning centers, and (b) packaging and labeling of produce to meet international standards.

Cost: The estimated cost of ACCOMEX is N57.5 billion, largely to be achieved through private sector sources.

Subprograms

The set of activities to be carried out and the related targets to be realized in order to achieve the above development objectives are organized into four subprograms. The baseline is 2009 and the target year is 2012.

1. Agricultural Input and Commodity Development and Marketing

Targets: The target is to increase income from agricultural produce at the rate of 15 percent each year from 2010 to 2012 from the current (2009) value.

Activities

- The multicommodity development and marketing companies to coordinate the marketing of the product for members.
- Consultation with buyers before the season begins to determine the base price that will be paid to farmers, but allowing market forces to prevail for prices above the base price.
- In consultation with NFRA, recommend a minimum price for some farm products that would be guaranteed by the government under the farm product insurance scheme.

2. Agricultural Information Management System (AIMS)

Targets: The target of AIMS is to ensure the availability of information for buyers, sellers, and farmers on type, location, and price of commodities at any particular point in time.

Activities

- Provision of market information to policy makers, technocrats, commodity-based organizations and farmers
- Support for research
- Creation of avenues for grading products to meet international standards.

3. Commodity Exchange

Targets: To re-engineer the operation of the Abuja commodity exchange market in preparation for full operations to support full trading of agricultural products and to establish the right regulatory environment that will facilitate operations.

Activities

- Decentralization of the commodity exchange market into the different zones.
- Establishment of commodity futures market.
- Adding value to the pricing mechanism through the establishment of an insurance scheme.

4. Agricultural Trade Facilitation

Target: To reduce/eliminate all the hindrances/barriers to agricultural product trading and marketing.

Activities

- Enhancement of human capacity building for potential exporters who lack adequate information on export documentation and procedures.

- Provision of training orientation for existing Nigerian enterprises involved in export business on international quality standards and improving opportunities for marketing agricultural products abroad.
- Creating a liaison with the Nigerian Customs Services (NCS), the Nigerian Police (NP), and Quarantine Services with the aim of reducing the number of road check-points in order to enhance the movement of perishable agricultural products.
- Enactment of legislation to cater for dispute resolution that may arise between buyers and sellers.
- Provision of rest points for the long distance drivers and farmers to include storage facilities (cold room and warehouses), restaurants, rest accommodation, water, electricity, telecommunications, security points, supermarkets, farmers shops/markets, etc.

Summary of costs

Program activities	Description	Cost (Nbn), 2008	Estimated cost 2009–2012 (Nbillion)	US\$ million 1:145
Private-sector managed warehouse, silos, conditioning centers	200,000 tons capacity @N45m and more capacity from private sector storage	10	40.5	27
Establish a warehouse receipt system	Develop policies for the take-off and operations of a warehouse receipt system to give producers increased access to credit	0.25	0.5	3.3
Establish product market/distribution centers	Development and re-sourcing of product marketing and distribution centers through concession	4 at N20m	15.5	10.3
Establish rest points on our highways		per center per year		45
Total cost				85.6