

AGRIBUSINESS OUTLOOK FOR 2019

While 2019 is an unusual year, being an election year, more efforts would be required by handlers to put the economy on a sure footing with a view to avoiding a relapse into recession. Agriculture contributed 25.5% to Nigeria nominal GDP in qtr 3 of 2018. The federal government has proposed a budget of N8.83 trillion for the 2019 fiscal year. The central bank of Nigeria established the Anchor borrowers programme to create a linkage between anchor companies involved in processing, and smallholder farmers of the required key agricultural commodities. The Anchor Borrowers scheme of the Central bank of Nigeria is expected to perform better than it did in 2018, as this will be the stabilizing year for the farmers and firms as they are expected to harvest the benefits of 2017, 2018 partnerships via economies of scale and returns on their investments.

Impact of Artificial Intelligence on Agriculture.

The role of artificial intelligence in farming will be enhanced, being layered on organizes smallholder farmer groups. This is expected to increase output of farmers significantly, especially smallholder farmer groups who subscribe to artificial intelligence services. Agricultural funding is expected to improve this year. Artificial intelligence in farming is gradually becoming popular among commercial farmers and smallholder farmer groups in Nigeria. With drones, and intelligent monitoring systems now successfully being used in research and field trials in Nigeria, artificial intelligence, or machine learning, is set to revolutionise the future of farming as the next phase of 'ultra-precision' agriculture is on the horizon.

Drones and GPS

Drones and Global positioning system GPS have become more widely accessible gadgets for improving farm performance and profitability. Providing new ways of increasing crop yields through in-depth field analysis, long-distance crop spraying and high-efficiency crop monitoring, drone technology is quickly becoming invaluable for farmers. Practical applications for drone technology are constantly growing so it's likely that drone-powered solutions will be on the up over the next few years. GPS has also become extremely useful for farm tracking, and accurate inputs application monitoring among commercial farmers..



Automated irrigation systems

Traditional irrigation management is an arduous task. This is coupled with a heavy reliance on historical weather conditions to predict required resources. Commercial farms in Nigeria are looking the way of automated irrigation systems in 2019. Automated irrigation systems are designed to utilise real-time machine learning to constantly maintain desired soil conditions to increase average yields. Not only does this require significantly less labour and have the potential to drive down production costs, but with 70% of the world's freshwater used for agriculture, the ability to better manage how it's used will also have a huge impact on the world's water supply.

Outlook of Key Agricultural Value Chains

Cocoa and Coffee

With Nigeria ranked as the world's seventh largest producer of cocoa, the crop assumes a greater importance in the country's medium-term economic future now that oil revenues can no longer be relied on as an easy source of foreign exchange. We remain cautiously optimistic that cocoa plantations and processing facilities will continue to receive the public and private sector support needed to move forward. Speaking on the outlook for agriculture in 2019, the minister of agriculture and rural development, Chief Audu Ogbeh, disclosed that the country was about to launch cocoa campaigns and reintroduce coffee to add to other products in the nation to achieve self-sufficiency. He said Nigerian government is reintroducing coffee which grows very well here, more robust in the southern states, and on the plateau and Mambilla.



Sorghum and Sesame Seed

Nigeria is the second largest producer of sorghum in the world, and the second largest producer of sesame seed after Ethiopia.



“We are the second largest producer of gum Arabic after Sudan. We are also the leader in yam and Cassava production. We are the largest producer of hibiscus flower Zobo which we export to Mexico and Russia.

Rice Value Chain

Nigeria is the largest producers of rice in Africa followed by Mali. Expectations this year is for Nigerian farmers to produce over 7 million metric tonnes of rice (which is what is consumed annually), to satisfy local demand, and even export to other countries to earn forex if optimistic harvest scenario subsists...

Cassava Value Chain

Cassava starch has the greatest potential to be utilized as a major industrial raw material among the end products of the cassava value chain, especially as a substitute to imported cornstarch currently and widely utilized for the production of culinary, healthcare products, and beverages in the region. Currently, imported starch is sold for about N140,000 to N150,000 per ton in Nigeria, while the locally processed cassava starch is sold for about N180,000 to N190,000 per ton.



“The reason for the high price of locally produced starch is because of some infrastructure deficit, like access to roads, water supply, power supply and so many others.”

So, before these infrastructures could be fixed, it is important that the government reviews fiscal policy to increase the import duty of imported starch to about 60 per cent, which would enforce its price to about N200,000 per ton, to enable locally processed starch compete favourably.

On increasing import duty for starch, there is hope that the steps taken last year by the Nigerian government through the Economic Recovery Growth Plan (ERGP), if fully implemented, will boost cassava production in the country and revive cassava starch industries across the country.

Tomato

Seeking urgent solutions to overcome challenges in the tomato sector, Tomato Growers Association of Nigeria (TOGAN) also urged the federal government to establish cottage processing plants in tomato producing areas. The Secretary-General of TOGAN, Alhaji Sani Danladi-Yadakwari, stated that building plants in areas where tomatoes are being produced in large commercial quantity would assist to check seasonal glut. According to him “There is a need for the Federal Government to build cottage processing plants in states to check seasonal glut. Yadakwari added that the processed tomatoes would be useful for the Nigerian Government’s school feeding programme across the country.



Maize

For its parts, the Maize Farmers Association of Nigeria (MAAN), projected an increase with the possibility of attaining the target of producing 25 million metric tonnes of maize at the end of the 2019

dry and rainy planting seasons for local consumption. The President, MAAN, Bello Abubakar, who gave the estimation said the target is also to help Nigeria fight maize importation.



“Presently, MAAN has already provided planter, threshers, and harvesters. Our farmers will be given all these implements and they will be educated on how they are going to use it,” he said.

He added that the association is working closely with the Federal Ministry of Agriculture and Rural Development and the Central Bank of Nigeria so as to empower farmers.

Experts are optimistic that although the year may witness change of government at the federal and state levels because of the elections, if the policies put in place by current administration are dutifully implemented, the agriculture sector will regain its lost glory.

Poultry, Dairy, Sugar, and Wheat

Poultry, dairy, sugar, and wheat consumption are expected to continue to depend predominantly on imports to meet demand, though a much greater percentage of demand for each of these commodities could potentially be met by local production. For self-sufficiency, further investments would be required



Cattle Ranches

The Minister of Agriculture and Rural Development, Chief Audu Ogbeh, had exclusively revealed that the government was ready to commence the development of cattle ranches out of over 4 million hectares of land used for old grazing reserves. Ogbeh said, “Nigeria has secured a World Bank approval to get to work, and the Federal Government is putting together about N12 billion to start the work,” Ogbeh believes that the crises between herders and farmers will be minimal or eradicated if herders have means of feeding their cattle this year.

RelatedLinks

<https://www.bing.com/news/search?q=2019+Outlook+For+Agriculture+In+Nigeria+Audu+Ogbeh&qvt=2019+outlook+for+agriculture+in+nigeria+audu+ogbeh&FORM=EWRE>

<https://guardian.ng/features/2019-agric-outlook-as-federal-government-prepares-for-cattle-ranching/>