

ABSTRACT

AGRO-INDUSTRY POTENTIALS AND CONSTRAINTS STUDY

New Nigeria Foundation was commissioned to carry out a study on Agro-Industry Potentials and Constraints in one state each in the six geo-political zones in Nigeria. The study was conducted by NNF in six states namely Abia, Akwa Ibom, Benue, Kano, Osun and Yobe States. The study incorporated a survey of farmers (livestock and crop), processors and traders/marketers participating in fadama activities in the six states. Due to the initial successful performance of Fadama II, particularly with its Community-Driven Development (CDD) approach which gives control of resources and decisions to the beneficiaries, it led to the yearning of non-participating States for the Third National Fadama Development Project (Fadama-III). The objective of the Fadama agroindustry study is to identify constraints and explore modes of developing efficient markets and linkages with other sectors including:

1. Assessment of the potential, constraints and measures to realize the potential in the Fadama areas, including livestock industry, dairy, tree crops, seeds, processing strategy, value added, small and medium scale agro industry, including public-private sector partnership.
2. An examination of product handling, preservation, processing and pricing;
3. Evaluation of market infrastructure, transportation and equipment facilities and services; and
4. Exploration of supportive linkages with input markets, equipment maintenance services and internal and external output markets.

Techniques adopted for the study include Focus Groups Discussions, Key Informant Interviews, Case Studies, and Enumerative Survey of farmers, agro-processors and traders/marketers in the fadama communities. In all, 27 FGD sessions were held for farmers, processors and traders/marketers. These are shown in the table below:

Breakdown of the FGDs

Target Group	Abia FGDs	Akwa Ibom FGDs	Benue FGDs	Kano FGDs	Osun FGDs	Yobe FGDs	Total FGDs
Crop Farmers	2	1	1	1	2	1	8
Livestock Farmers	0	0	0	1	1	1	3
Agro Processors	1	1	2	2	1	1	8
Traders	1	1	1	1	1	1	6
Fish Farmers	0	1	1	0	0	0	2
TOTAL	4	4	5	5	5	4	27

A team of coordinators and supervisors conducted the FGD sessions in the six different states in the week of 27th August 2007. Coordinators and Supervisors in Benue, Kano and Osun States held 5 FGDs each while Coordinators and Supervisors in Abia, Akwa Ibom and Yobe States held 4 FGDs each. Prior to the discussions, mobilization of stakeholders was done between August 22 and 24, 2007 with the assistance of ADP staff and community/village leaders of stakeholder associations. Suitable times for the discussion sessions were fixed during the

mobilization.

For the enumerative survey, 1,767 questionnaires were administered. This included 300 each for Abia, Akwa Ibom and Yobe States, 305 in Benue State, 264 in Kano State and 298 in Osun State. These are shown in the table below:

Breakdown of the Enumerative Survey

Target Group	Abia	Akwa Ibom	Benue	Kano	Osun	Yobe	Total
Farmers	50	50	50	50	50	50	300
Agro processors	120	120	120	84	119	120	683
Traders	80	80	80	80	79	80	479
Livestock farmers	0	0	5	50	50	50	155
Fish Farmers	50	50	50	0	0	0	150
Total	300	300	305	264	298	300	1767

A team of coordinators, supervisors and sixty enumerators conducted the enumerative survey in the six different states between August 29 and September 14, 2007.

The major stakeholders in the fadama areas in Abia, Akwa Ibom, Benue, Kano, Osun and Yobe States are farmers (livestock and crop), processors and traders/marketers. Crop farmers in the target states cultivate several crops including tomato, cassava, maize, rice, pepper, sweet potato, spinach, coconut, pineapple, raffia, ugu, lentil, watermelon, carrots, okra, wheat, palm fruits, yam, and sugar cane and so on. Livestock rearing include mainly cattle, sheep and goat while fish farming is mainly catfish and tilapia. Different crops are processed into different products for instance cassava, maize, rice, yam are processed into flour, sugar cane is processed into sugar, palm fruit is processed into palm oil, kernel, raffia into mats, bags, belts, coconut into coconut milk and coconut oil. Livestock is processed into meat (kilishi) and dairy (milk, yoghurt). Market of produce is both within and outside the states, farm gates, feeder and urban markets and as far as international market in Kano state.

Farming:

Major constraints faced by agro-processors include poor power supply, lack of portable water in the mills, lack of access to improved technology on production, preservation and storage, lack of adequate capital and credit facilities, lack of improved machines, poor infrastructure.

2.0 The farmers generally practice mixed cropping and mono cropping

2.1 The major fadama crops cultivated are tomato, pepper, rice, sugar cane, sweet potato, cocoyam, wheat, maize, okra, onions, oil palm, cassava, spinach, rubber, yam, pineapple, carrots.

2.2 The most processed commodities are rice, cassava, oil palm. Others include maize, wheat, pineapple, cocoa, raffia, coconut.

2.3 Catfish and Tilapia are the commonly raised fish.

Both local and improved seeds are readily available in the fadama communities in some states and there is high potential for seed business.

There is adequate demand for fadama produce and there is market for them. Fadama crops are sold both within and outside the communities and states.

Farmers are aware of improved seeds and technologies.

Challenges faced by farmers include high cost for land cultivation, high cost of fuel for irrigation, perishability of some produce, lack of storage and preservation facilities.

Processing:

In Abia, Akwa Ibom, and Yobe States there are no barriers to entry but in Kano, Benue and Osun they are required to register with an association to operate.

The processing techniques are mostly traditional and manual though the processors are aware of improved technologies and are willing to adopt them if credit is available. The processing centers are concentrated in clusters. Many of the fadama produce are underutilized due to the absence of agroindustries.

Processing equipment are locally fabricated and maintained. There are mostly small and medium scale agro-processing industries in the states. A lot of the major agro-industries are not functional especially in Yobe State.

Potentials and opportunities exist in the processing of fadama crops in the states and need to be exploited. There is need for some government interventions to harness the potentials that exist in the processing of fadama crops.