

Development of a Resilient Livestock Industry for National Economic Growth –The Lender's Perspective.

- Shola Obikanye



Overview of Livestock Industry in Nigeria

- ❑ GDP From Agriculture in Nigeria increased to 3789720.12 NGN Million in the second quarter of 2018 from 3487312.92 NGN Million in the first quarter of 2018. GDP From Agriculture in Nigeria averaged 3763381.63 NGN Million from 2010 until 2018, reaching an all time high of 5189365.99 NGN Million in the third quarter of 2017 and a record low of 2594759.86 NGN Million in the first quarter of 2010

<https://tradingeconomics.com/nigeria/gdp-from-agriculture>

- ❑ Livestock account for one third of Nigeria's agricultural GDP, providing income, employment, food, farm energy, manure, fuel and transport.
- ❑ They are also a major source of government revenue.
- ❑ Traditional livestock production in Nigeria is varied and complex. Livestock, especially ruminants, are the most efficient users of uncultivated land and can contribute substantially to crop production.

Challenges We must Tackle...

- ❑ Livestock Model: We need a virile and innovative and industrial meat value chain.
- ❑ Mortality Issues (Biosecurity)
- ❑ High Cost of Animal Feed
- ❑ Improved Breeds (R&D)
- ❑ Small Ruminants should be improved
- ❑ Agric. Lending

What is the Aim for Agric. Lending?

For a Bank, it is to make **profit**.
For a Livestock Farmer, it is usually to **expand capacity, meet demand and remain profitable.**

Livestock farmers must therefore understand the perspective of the lender and take their business seriously especially where a bank is to be approached for funding.



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Sustainable Agricultural Lending



The Agribusiness sector has a range of environmental and social impacts which needs to be responsibly managed. These include, the degradation of habitats, impacts on air quality, soil, water and local communities through unsustainable water use, poor waste management and intensive use of agrochemicals; and impacts on local communities, for example where they are displaced without prior engagement, informed consent and due compensation.

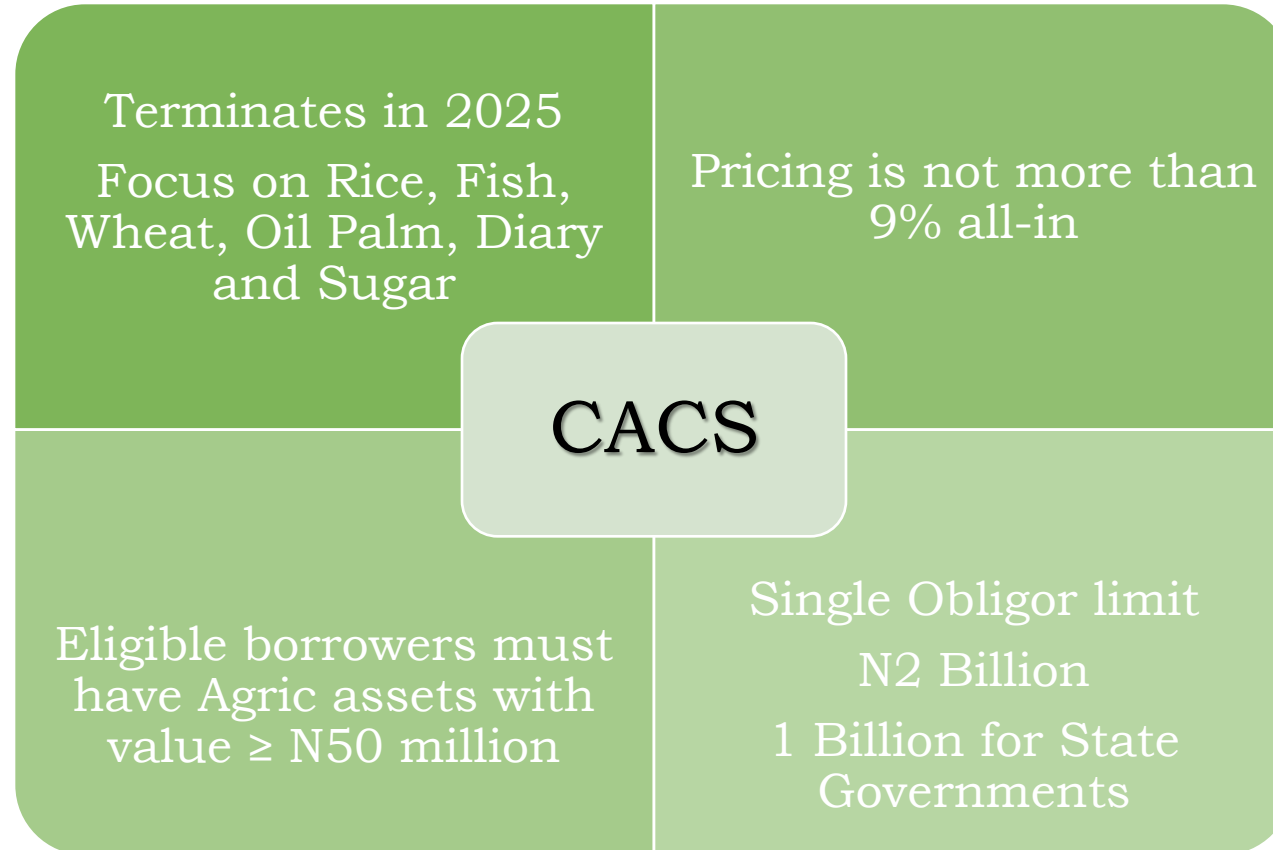
Banks lend only to agribusinesses that are in compliance with local, national and internationally ratified social and environmental laws and regulations including industry minimum standards.

Financing Large Scale & Smallholder Livestock Farmers

Description	Large Scale Farmers	Smallholder Farmers
Finance	Direct financing owing to their scale and capacity to offer adequate collateral and meet the bank's minimum risk acceptance criteria.	Indirect financing most cooperatives or Anchors through schemes like AF
Business Risk	Medium - Low	Very High
Nature of Business	Capital intensive	Labour intensive
Farm Practices	Mostly at par with industry standards. Modern equipment and management techniques, high yielding breed etc.	Local varieties. Traditional methods emp

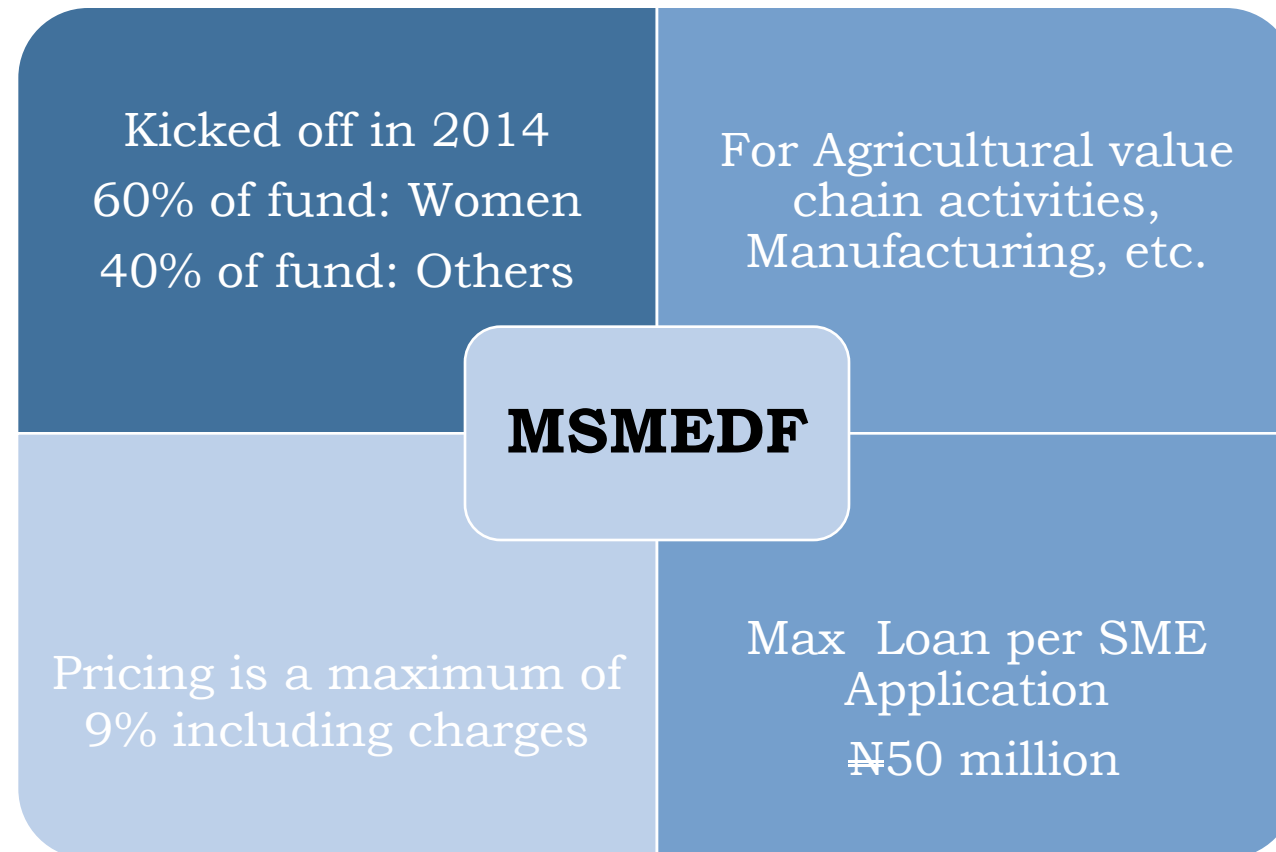
Some Available Funding Options For Livestock Farmers

Commercial Agriculture Credit Scheme (CACCS)



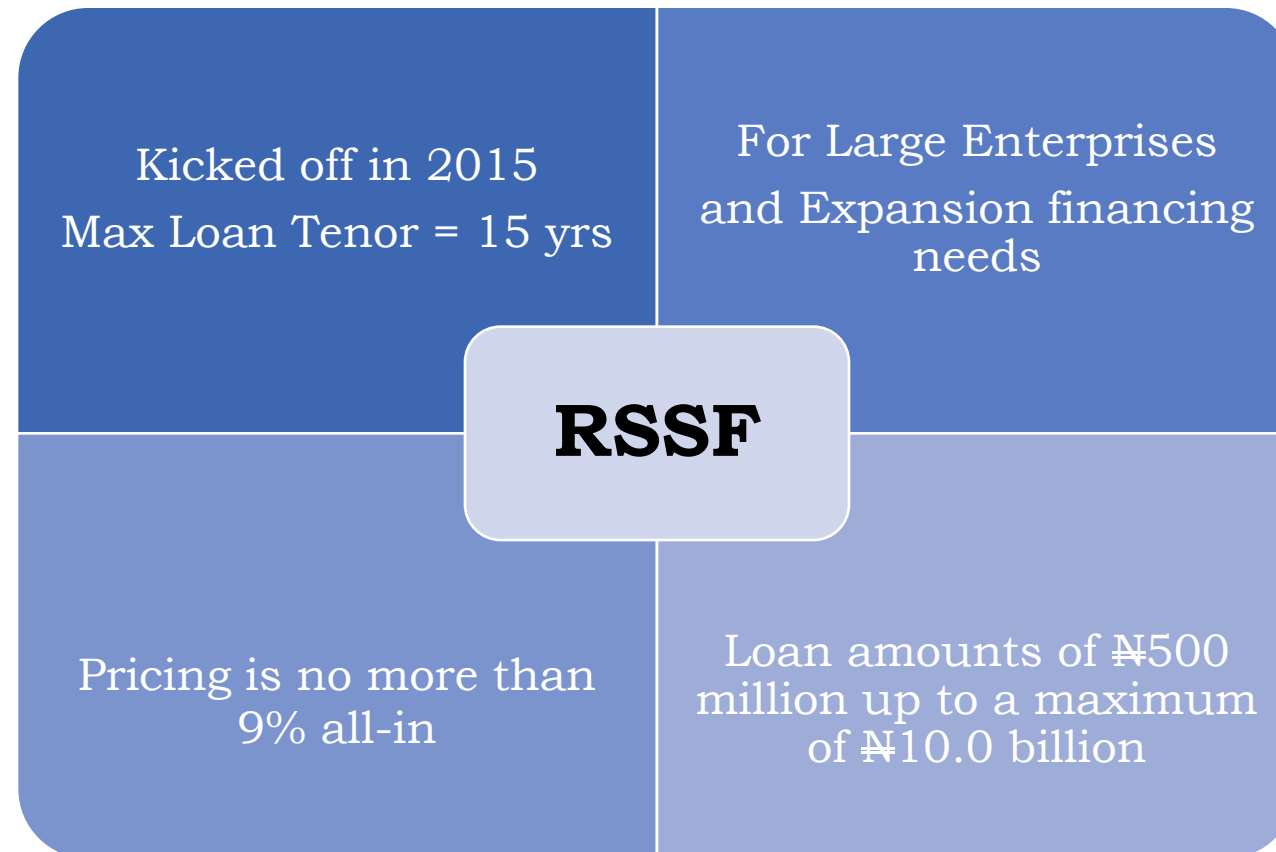
(MSME) Development Fund

₹220 Billion Intervention Fund



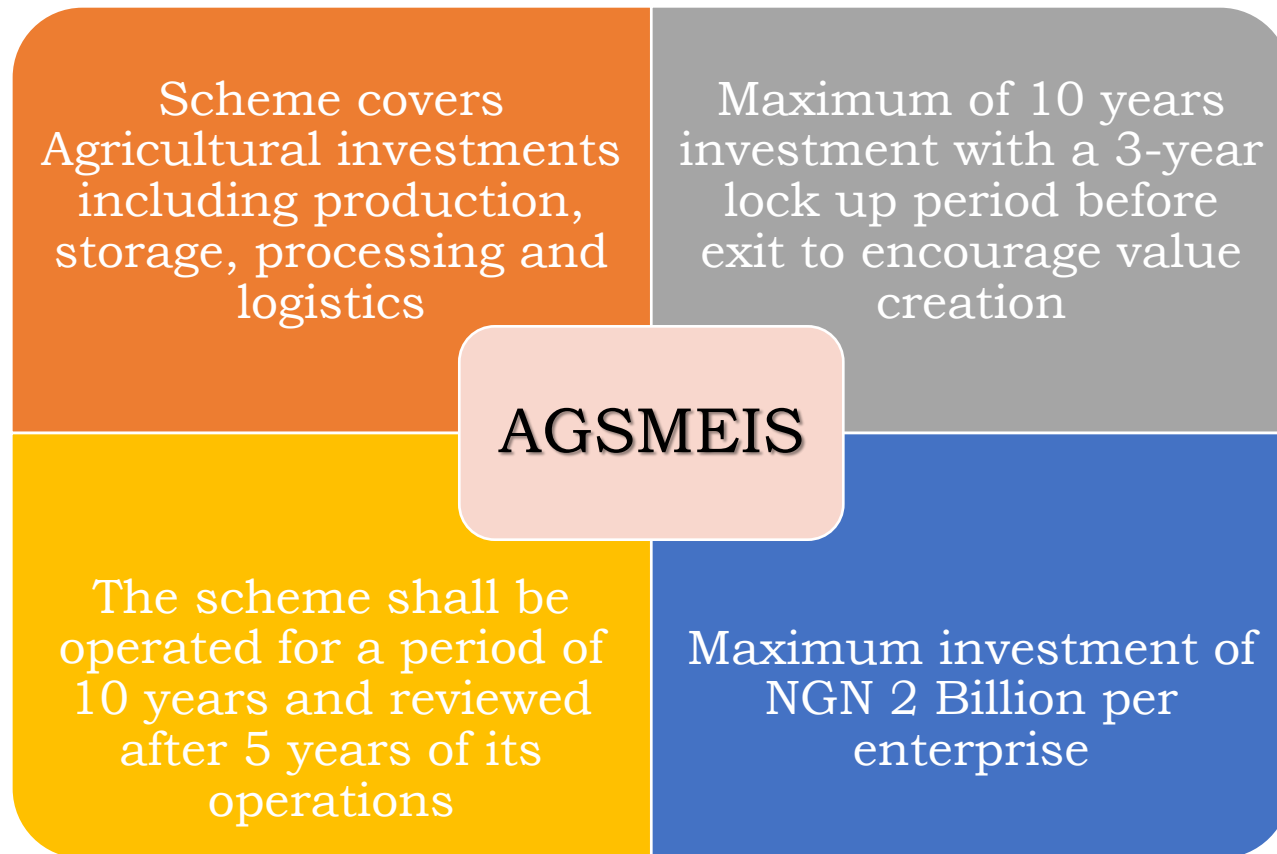
Real Sector Support Facility (RSSF)

A ~~₦~~300 Billion Intervention Fund



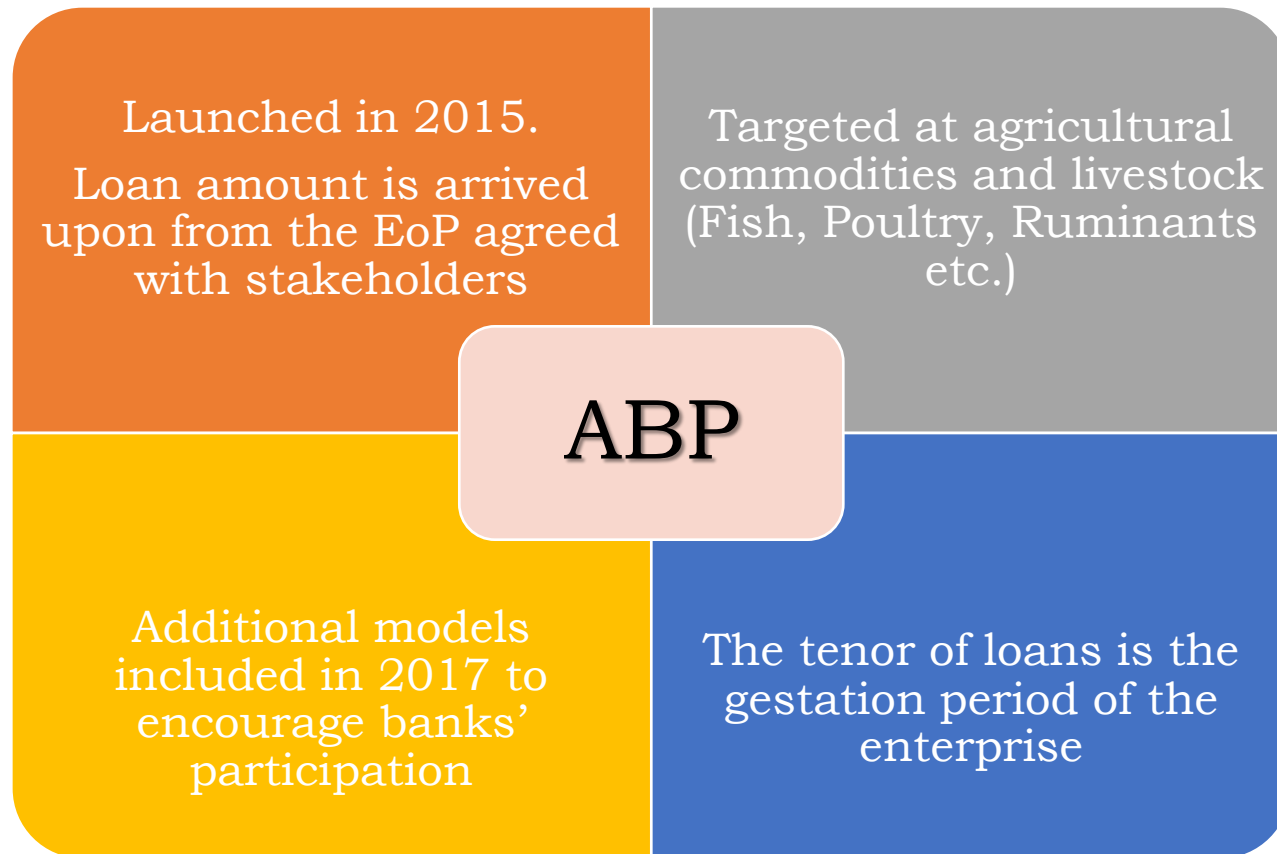
Agri-Business/Small & Medium Enterprises Investment Scheme (AGSMEIS)

An initiative of the banker's committee



Anchor Borrowers Program (ABP)

Fund is provided from the N220 billion Micro, Small and Medium Enterprises Development Fund (MSMEDF).



Basic Bank Requirements

- Business Plan
- Cashflow Statement
- Account Statement showing past transactions
- Acceptable Collateral
- Technical Partners (where necessary)
- Equity Contribution

