

Financial institutions are not investing enough in agriculture - Enobong

Jimie Enobong, Managing Director, Global Corp Limited, in this interview with **Akin Adewakun**, believes that agriculture holds the key to the Nigeria's wealth, but argues that the nation's financial institutions are not doing enough to support investors, especially young Nigerians, who may want to go into agro-business.

AS someone who runs an agriculture consultancy outfit, how do you think the country can be made a major destination point for Foreign Direct Investment(FDI) in Africa in the area of agriculture; since of late it has been the exclusive preserve of South Africa ?

Ordinarily, with a very minimal effort, Nigeria should have been the beautiful bride of the whole world in the area of agriculture, since its market is huge and the potentials are very great. Unfortunately, the reverse is the case. That is why our recent programme which is a partnership with All Farmers' Association of Nigeria (AFAN), South West zone, is actually based on the extensive focus that Nigeria should be a major exporter of agricultural products and services.

This is a position we should have attained at the highest level a long time ago, but somewhere along the line, we completely derailed, in spite of all the natural advantages. So what Global Corp is essentially plotting at this period is to reposition Nigeria back to that era where agriculture will become one of the nation's core economic mainstays. If you look at the global economic trends, in the next 100 years, the global economy will still substantially be agriculture-induced, and we don't want Nigeria to be left out.

The nation's agricultural sector, no doubt, is one that holds so much potential, but unfortunately highly under-utilised. How do you think us, as a nation, can actually harness these potentials and turn the sector into money spinning one?

Agriculture is a serious business. We've lost that drive that we had in the 50s and 60s that today, we are nowhere to be found in terms of agriculture and even in terms of potentials. The fact remains that agriculture is a sector that can actually generate enormous wealth for this country and even for the citizens. We have natural advantages than many other nations on earth. So these are the parameters we looked at and we asked ourselves what has happened to us as a people.

As a nation, God has given these things free. We could not even adapt our knowledge for development. We completely ruined agriculture through the different steps that we took in the past, starting from the 70's till date. So these are some of these things that drive us at Global Corp. We've been to the international market place, especially through the platform of Agrameen, which is a yearly agric business event in Dubai.

This event brings all the nations of the world who are serious about agriculture together, who are serious about food security. And hundreds of billions of dollars businesses are

being done in that particular area. And it is painful that in this global marketplace, Nigeria, our own country is nowhere to be found. This is precisely what has driven us to do what we are presently doing. We want to precisely focus, in our drive, on the South West farmers and bring re-engineering to farmers in this zone through the instrument of Agreement.

We believe we can open up the country through the South West and demonstrate what the country ought to be in the terms of performance in the agricultural sector.

How do you intend to make this initiative positively rub off on the average Nigerian farmer in the rural areas, who does all the tilling but with nothing to show for it financially?

The platform we are trying to structure for this programme is simple and straightforward. The AFAN group which is the umbrella body for farmers in the South West region of the country, has the big farmers, the small farmers and the family farmers. There is something for everybody in the programme. It is a playfield that everybody will have an activity that will help him or her in the eradication or reduction of poverty.

Primarily, we are working with the AFAN of the South West to reposition the economy of the south western Nigeria, the way it used to be agric wise. It was the farmers that built the economy of the south West in 1960's, most especially under the leadership of Chief Obafemi Awolowo, who built a fantastic economy, based on agriculture, for the region then.. It's unfortunate they followed the rest of Nigeria to derail. That's why we feel there is the need to reposition the economy of the country, starting from the South West, through the instrument of agriculture. Two, we also know that this programme can play a serious part in the entire economic and human development of the south west region of Nigeria, and we are serious about it.

It is a program that even the farmers in the rural areas would benefit. For instance, Cocoa was one of the products that gave substantial resources to the south west in the past. They lost that position globally and even within the country. Now, if we want to do cocoa again and we intend to go back to the traditional cocoa that was done in the late 60's, we can't be a big player in the global marketplace.

But, do you know that if people can do organic cocoa today, in the next three or four years, the south west farmer can fight for ten percent of the global market share. And if we continue on this road, in the next eight years, they will take a minimum of twenty five to thirty percent of the entire global cocoa market. If you understand what this means in financial terms and in terms of the economic development of the region, it is a lot.

Another example is seen in the dairy business, where we also have a partner from Australia, who wants to partner with our farmers in this area. Within three-four years, we can make a profit in the excess of \$1billion. A practical example is Brazil, which is 21 nautical miles from the Gulf states in the middle east. Brazil went to Agrameen event for the first time in 2006 and by 2007-2008, the country's exports were in the excess of \$2.5billion. And don't forget Nigeria is just six hours away from the gulf states of the Middle East. Remember, in the Middle East they import a minimum of 94 per cent of all their food and water.

And if somebody can come all the way from Brazil, Argentina, Australia, to do agricultural business there, with huge profits, what stops Nigeria, which God has blessed with the necessary natural conditions from taking advantage of all these things too?

Making a comparative analysis of the share of agriculture as regards FDI and that of other sectors of the economy such as Oil and Gas, one discovers that it is abysmally low. What in your opinion do you think can be done to make agric share compete favourably with those of other sectors?

It is going to be a normal process, a natural process. We used to be a net exporter of agricultural product in the 60s. But somewhere along the line, due to free oil and gas, which translates to free money, we became useless. Everybody went in that direction and abandoned agriculture. And we left many things we should have done. That's why today, agriculture is becoming almost a zero contributor to our Gross Domestic Product (GDP).

It's going to be a gradual process, it's not going to be overnight. We'll start with cocoa, we'll start with a lot of cereals, wheat, rice, barley and what have you, in the South West. We are even going into coffee. But it's going to be a well-planned arrangement. It is not going to be the business-as-usual approach of the past, if we really want to raise the share of this sector as regards foreign direct investment.

Are there facilities, in form of incentives, for all these foreign investors that would make them want to come and invest in Nigeria?

Yes. These are some of the things we have been able to achieve by our own efforts and resources. As I'm talking to you, we have been able to sign a Memorandum of Understanding with Agricoma Italia, a consortium of European Union manufacturers of agric equipment and machines. They have agreed to partner with us, to make all these programs a reality.

The incentive is that in case of any of the programme we want to test, whether it is cultivation of cocoa, organic; rice, barley, cassava or plantain, the supplier and manufacturer is in partnership from day one till the last day of the entire service chain of that particular project.