

SPECIAL REMARKS BY CHIEF (DR.) J. O. SANUSI (CON),
GOVERNOR, CENTRAL BANK OF NIGERIA, DELIVERED AT THE
SEMINAR ON, “SUSTAINABLE RICE PRODUCTION IN NIGERIA”,
HELD AT THE HAMDALA HOTEL, KADUNA, 14TH & 15TH,
JANUARY 2003.

The Honourable Minister of Agriculture and Rural
Development, Mallam Adamu Bello,
The Executive Governor of Kaduna State, His Excellency,
Alhaji Ahmed Makarfi,
Honourable State Commissioners for Agriculture, here
present,
Chief Executives of Banks and Other Financial Institutions,
Members of Non-Governmental Organisations and
Multilateral Agencies,
Distinguished Farmers,
Gentlemen of the Press,
Ladies and Gentlemen

It is a great pleasure and privilege to make a few remarks while welcoming you to this seminar, organized by the Development Finance Department of the Central Bank. The focus of the Seminar, which is, devising strategies for increasing the quantity and quality of rice production in Nigeria is not only important and crucial to ensuring food security for Nigeria, but also provides a timely opportunity for the participants to work out strategies for boosting domestic rice production and thereby reduce excessive reliance on rice importation that has been a source of drain of our foreign exchange resources. Indeed, the topic is quite relevant to the Federal Government’s current policy focus to re-diversify the economy and re-position the agricultural sector to play its pivotal lead role in economic development.

2. As you are aware, the objectives of the seminar include amongst others, designing strategies for ensuring optimum quantity and quality of rice produced by Nigerian farmers; encouraging Nigerians to prefer and demand Nigerian grown rice and getting all stakeholders to work towards attaining the production target of self sufficiency set for 2012, by the Rice Farmers Association (RFA). These are in consonance with the broad agricultural policy objectives of the various tiers of government.

3. As you all know, the broad agricultural objectives of the Federal Government include the attainment of self-sufficiency in food and fibres, improvement in the socio-economic welfare of the people, reduction in the rate of food price inflation, diversification of the country’s sources of foreign

exchange earnings through the rejuvenation of agricultural export commodities and the production of raw materials for local agro-based industries. It is therefore obvious that for Nigeria to move forward, we must create the enabling environment for agriculture to play its critical role in the economy.

4. In recent times, both government and other stakeholders had at various fora, deliberated and reached consensus on strategies for increased production of specific crops, such as rice, cassava, cotton, and vegetable oil. You are also aware that the Committee on Rice Production has as its mandate, to ensure that Nigeria attains an annual rice production level of 5 million metric tons and generates some foreign exchange from its exports. It is expected that given the evidence of achievements of the National Agricultural Research Institutes in developing high yielding, early maturing and disease resistant varieties of rice, the mandate of the Committee would easily be met.

5. In recognition of the crucial role of finance in agricultural production, the Central Bank of Nigeria has continued to introduce and pursue policies and programmes aimed at enhancing the delivery of credit to the agricultural sector, including the rice farmers. For instance, the Bank introduced the Refinancing Facility to encourage deposit money banks to lend long-term to the real sector. The Bank has also under the Agricultural Credit Guarantee Scheme Fund, guaranteed loans to 4,887 rice farmers, worth N154.1 million in 2001. In addition, the Bankers' Committee on Small and Medium Industries Equity Investment Scheme (SMIEIS) also accords priority to investments in the agricultural sector and agro-allied industries which include rice milling and processing. Furthermore, the CBN had commissioned a study on the cost of establishing a small rice processing mill in Nigeria, the outcome of which is expected to be made available to the participants.

6. You would agree with me that, as major stakeholders in the Nigerian economy, we have a very important role to play in ensuring the success of the programme outlined by the Rice Farmers Association. For Nigeria to be successful in revolutionizing rice production as contained in the Rice Farmers Associations 10-year rolling plan called, "Target 2012 Grains Revolution", it must not only shun imported brands of rice in preference for improved local varieties, but must be competitive with other rice producing countries. In this way, we would not only be ensuring that we keep our farmers busy on the farms, save the country's scarce foreign exchange reserves but also stop creating jobs for others outside Nigeria.

7. Ladies and Gentlemen, let me add that in order to ensure increased demand for our locally grown rice, the other critical areas of the production process would have to be identified and addressed to enhance its competitiveness in both the domestic and foreign markets. In particular, the

Rice Association must adopt better processing methods and packaging to improve the quality of the product, ensure better taste and make it competitive worldwide.

8. It is important to note that, the successful implementation of an increased rice production strategy in Nigeria, would depend largely on the extent of the collaboration of the relevant Federal and State ministries with International Agencies such as the Food and Agricultural Organization (FAO), United Nations Development Programme (UNDP), International Fund for Agricultural Development (IFAD), International Institute of Tropical Agriculture (IITA), and so on. Most of these Agencies have been known to continually render assistance to agriculturally-based programmes, including rice production. These organizations may also assist the expected revolution by providing practical innovations and low cost effective technologies for sustainable rice production and processing by our farmers.

9. In this regard, the Federal Ministry of Agriculture and Rural Development and its counterpart in the States, have an important role to play in creating a harmonious working relationship among the local farmers, RFA and highly reputable rice producing countries in the world. Such a relationship would foster the exchange of farming technologies, variety of seeds, modern techniques of processing and packaging.

10. In addition, the Federal and State Ministries should ensure the timely provision of required farm inputs such as fertilizers, improved seeds, agro-chemicals and adequate extension services. On its part, Government through its policies, should provide a conducive environment for rice production by ensuring the availability of land, encouraging the ownership of large farm holdings, and the use of mechanized and appropriate technologies on our farms.

11. In conclusion, may I suggest that when designing strategies for sustainable rice production in Nigeria, you should appraise our present situation, identify the problems and challenges of providing high quality rice in the country and explore the prospects of making rice a major foreign exchange earner. You should also examine the ecological varieties of rice that could be grown and produced, the success factors for target sustainability, the design of export potential for Nigerian rice and the economic, environmental and other implications of increased rice production in the country.

12. I have no doubt in my mind that with the versatile facilitators assembled at this seminar and the myriad of issues that would be raised, participants would, at the end of the seminar, be better equipped to proffer solutions to some of the hindrances to attaining the 2012 target of grain revolution. I wish you fruitful deliberations and look forward to receiving your recommendations.

13. Thank you for your attention.

Chief (Dr.) J. O. Sanusi (CON)

Central Bank of Nigeria,

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