

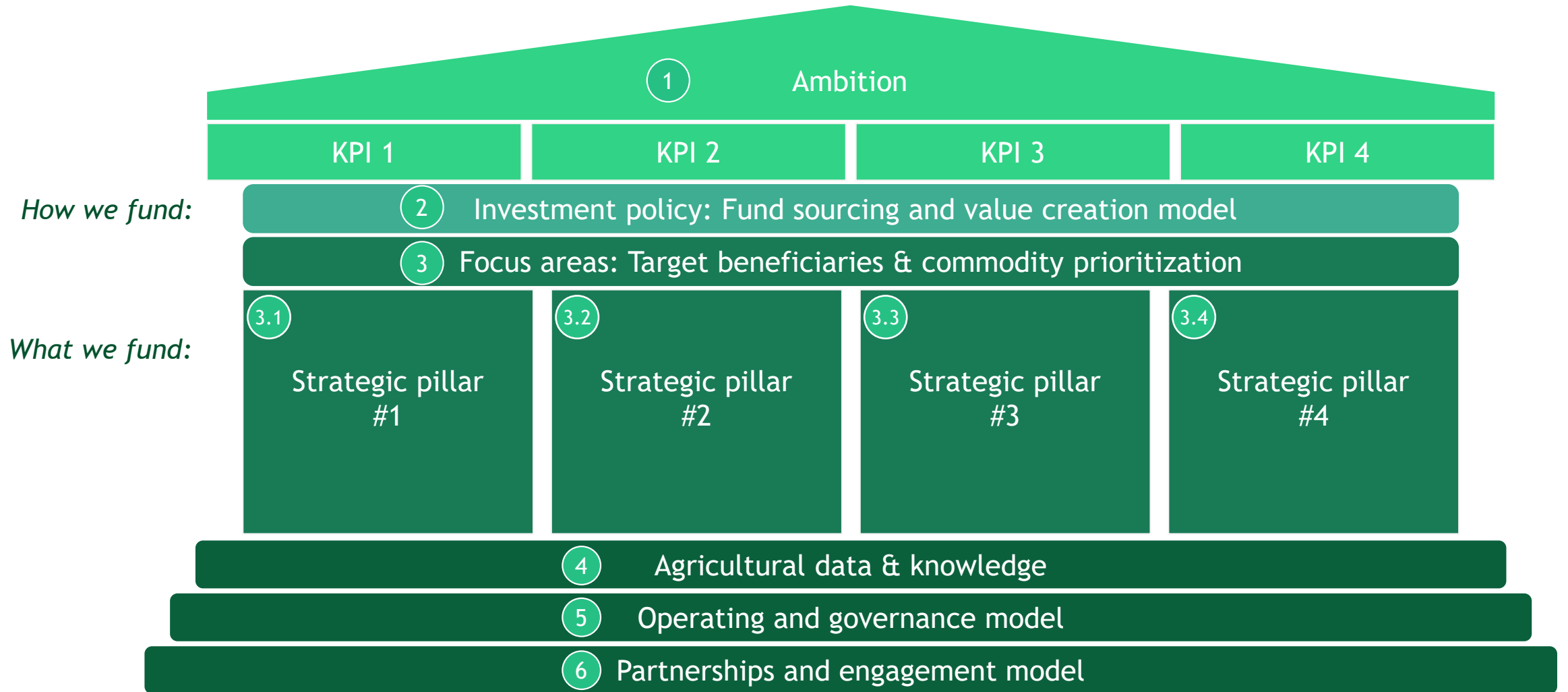
National Agriculture Development Fund 5-year strategic plan

Detailed Strategic Framework

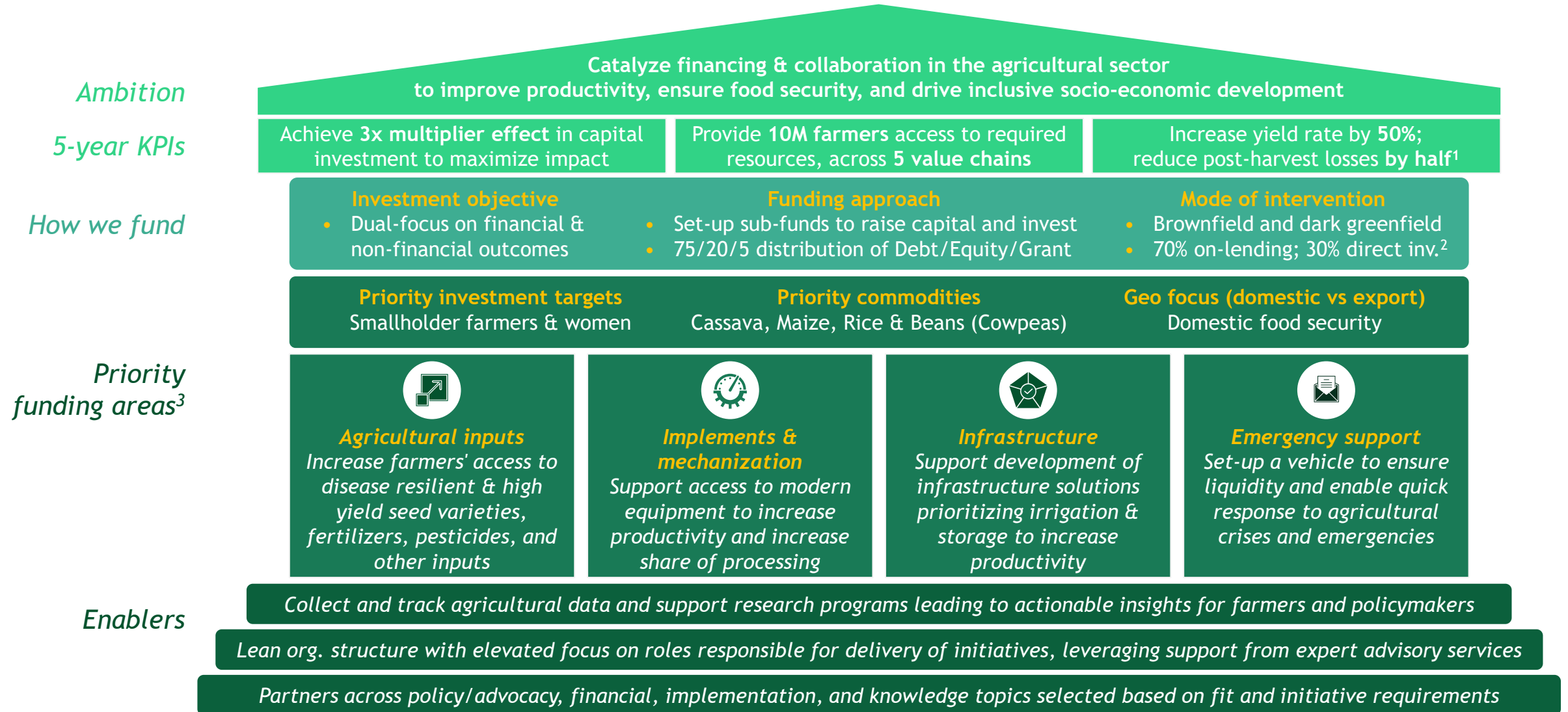
MARCH 2024



Proposed strategic framework to help focus NADF's support delivery to the sector



Strategic framework to help focus NADF's support delivery to the sector



1. Yield rate and post-harvest losses improvement target for impacted farmers 2. Direct investment 3. Prioritization of focus areas does not exclude other elements of the mandate, opportunities outside of priorities areas to be considered as they arise



Ambition translates into specific and measurable targets across 3 key components within 5 years

Catalytic impact

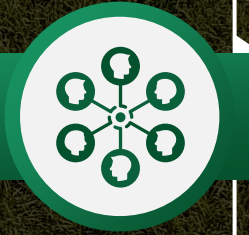


Current State:
NGN 100 bn initial
funding and expected
NGN 12 bn recurring funding



Achieve **3x multiplier effect in capital investment** to maximize impact from NADF's initial funding

Project outreach

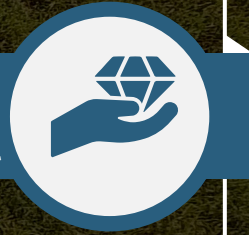


Current State:
Less than 23% (9 million) of
smallholder farmers have
access to financial resources



Provide **10M additional farmers access to required resources¹**, ensuring impact across at least **5 value chains²**

Agricultural development impact









Current State:
Insufficient production of key
crops and 30% of output wasted
between farm & final consumer

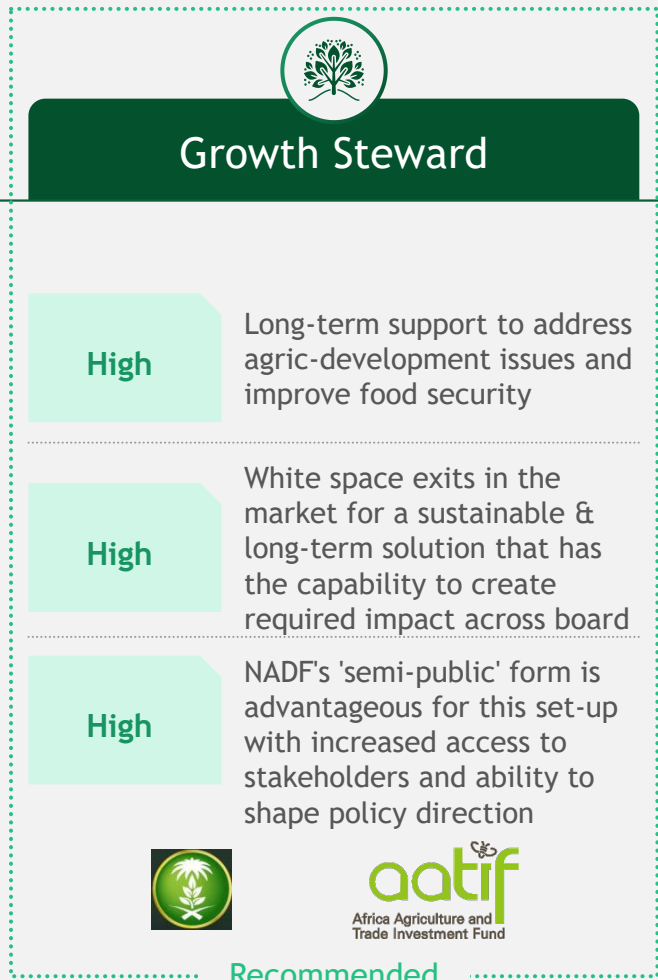


Increase yield rate by 50% and reduce post-harvest losses by half for impacted farmers



Investment objective | Initial assessment shows Growth Steward as the most suitable archetype for NADF

Lenses	 Sustainable Nurturer	 Growth Steward	 Value Dynamo
1 Fit with mandate & ambition	High Focus on promoting development and tackling food insecurity in Africa	High Long-term support to address agric-development issues and improve food security	Low Interventions prioritized based on financial return vs. impact orientation
2 Fit with market needs	Medium Market already saturated with funds and programs offering similar offerings (e.g., One Acre Fund, etc.,)	High White space exists in the market for a sustainable & long-term solution that has the capability to create required impact across board	Medium Offerings already exists in the market (e.g., FAFIN, AgDevCo, NSIA, etc.), that overlook potential target given high focus on returns
3 NADF's right to win (capabilities +enabling factors)	High NADF's 'semi-public' form is advantageous for this set-up with increased access to stakeholders and ability to shape policy direction	High NADF's 'semi-public' form is advantageous for this set-up with increased access to stakeholders and ability to shape policy direction	High NADF's 'semi-public' form is advantageous for this set-up with increased access to stakeholders and ability to shape policy direction
Benchmark Examples	 	 	 



Recommended

Source: Fund reports, Press search, Consultant analysis









4 crops prioritized due to their impact and fit for NADF

Crops	Impact creation	Fit to NADF
Cassava	<ul style="list-style-type: none"> Strong reach: Grown by 14M households (largest producer in the world) Provides food security for SHF¹ given high caloric value and availability all year round 	<ul style="list-style-type: none"> Potential to reduce dependency on wheat import for flour Yields (6 mt/ha) lag global avg. (10 mt/ha) - potential to boost production High versatility in processing output, including ethanol production
Yam	<ul style="list-style-type: none"> Medium reach: Grown by ~7.8M households (largest producer in the world) A staple food but also a cultural symbol (e.g., the New Yam Festival) 	<ul style="list-style-type: none"> Realize similar impact as Cassava does, but lower household reach and fewer derivatives as Yam is less versatile than cassava's Yields (8.2 mt/ha) in line with global avg. (8.5 mt/ha)
Maize	<ul style="list-style-type: none"> Strong reach: Grown by ~15M households (2nd largest producer in Africa) Geographic coverage: High adaptability in various climate and environment Key diet component for both humans (56% of production) & livestock (31%) 	<ul style="list-style-type: none"> Provide essential nutrients (Vitamin B complex) High versatility in processing output (flour and fodder) Yields (2.2 mt/ha) lag global avg. (5.7) - potential to boost production
Sorghum	<ul style="list-style-type: none"> Strong reach: grown by 8.9M households (3rd largest producer in the world) High drought tolerance and can grow in less fertile soils 	<ul style="list-style-type: none"> Realize similar impact as Maize does but lower household reach Yields (1.2 mt/ha) in line with global avg. (1.4 mt/ha)
Oil palm fruit	<ul style="list-style-type: none"> Support the livelihood of millions of SHF and entrepreneurs 5th largest producer in the world 	<ul style="list-style-type: none"> Creates more value in export rather than local food security Yields (2.6 mt/ha) significantly lag global avg. (14.2) - potential to boost
Cowpeas	<ul style="list-style-type: none"> Medium reach: grown by ~6M households (largest producer in the world) Provides food security for SHF as it is available all year round 	<ul style="list-style-type: none"> Provide necessary dietary nutrients (protein-rich) at affordable price point Improve soil fertility through nitrogen fixation Only ~40% of farmers using improved seeds that increase yields (26%)
Rice	<ul style="list-style-type: none"> Grown by ~4M households (largest rice producer in Africa) Only 64% self-sufficiency rate, relying on import to fill the gap. GoN policies (e.g., import ban & loan programs) has increased production 	<ul style="list-style-type: none"> Yields (1.9 mt/ha) lag global avg. (4.7) - potential to boost production Unpredictable weather leads to inconsistent annual yields, which discourage farmers from investing in agricultural inputs
Groundnut	<ul style="list-style-type: none"> Medium reach: grown by ~5.3M households (3rd largest producer globally) Cannot be grown year-round 	<ul style="list-style-type: none"> Realize similar impact as cowpeas does but lower household reach Rich in essential nutrients, (protein, healthy fats, vitamins)
Millet	<ul style="list-style-type: none"> Medium reach: grown by ~6M households (4th largest producer in the world) Low production value (1.9M mt) relative to other crops (e.g., cassava 60M) Shorter growing season, but can't be grown all year round 	<ul style="list-style-type: none"> Nutrient-rich and gluten free Yields (1.1 mt/ha) in line with global avg. (1.2 mt/ha) Realize similar impact as cowpeas does but lower household reach
Okra	<ul style="list-style-type: none"> Low to medium reach: area harvested is 5x lower than cassava Low production value (1.9M mt) relative to other crops (e.g., cassava 60M) 	<ul style="list-style-type: none"> Not a staple crop that can significantly contribute to food security Significant contribution of female farmers in okra farming (51%)

1. Smallholder farmers
Source: Consultant analysis

3 of the prioritized crops are aligned with strategic crops identified in the National Development Plan

	<i>Prioritized</i>					
Crop	 C Cassava	 R Rice	 M Maize	 S Soybean	 Y Yam	 T Tomato
Production ¹ (MMT)	63,000	8,370	12,900	960	50,380	3,750
Rationale	<ul style="list-style-type: none"> Nigeria is the largest cassava producer in the world Climate-resilient, versatile crop that offers opportunities for low-cost cultivation methods 	<ul style="list-style-type: none"> Nigeria is the largest rice producer in Africa Fundamental staple crop with high adaptability, cultural significance and economic potential incl. from exports 	<ul style="list-style-type: none"> Nigeria is the second largest maize producer in Africa High-yield crop with strong nutritional value, economic opportunities, and solid resilience 	<ul style="list-style-type: none"> Nigeria is the largest soybean producer in SSA Highly nutritious crop with potential for industrial use, exports, and sustainable farming practice 	<ul style="list-style-type: none"> Nigeria is the largest yam producer in the world (70%) Robust food source with cultural significance, export potential, and climate adaptability 	<ul style="list-style-type: none"> Nigeria is the second largest tomato producer in Africa Lucrative crop for small & large-scale farmers, with untapped opportunities in value-added processing

Note: 1. Production amount in 2021 from FAO database

Source: Federal Ministry of Finance, Budget and National Planning; IITA; NBS; Consultant analysis



Priority areas for NADF defined along 4 strategic pillars

①

Agricultural inputs



Increase farmers' access to disease resilient & high yield seed varieties, fertilizers, pesticides, and other inputs

②

Implements & mechanization



Support access to modern equipment to increase productivity (e.g. tractors) and increase share of processing

③

Infrastructure



Support development of infrastructure solutions prioritizing irrigation & storage to increase productivity

④

Emergency support



Set-up a vehicle to ensure liquidity and enable quick response to agricultural crises and emergencies



6 priority initiatives along the strategic pillars and 2 cross-cutting

①

Agricultural inputs

- 1.1 Establish an integrated input supply program to provide farmers access to high-quality inputs (e.g., seeds, fertilizers, pesticide, livestock feed) via input financing and subsidies

②

Implements & mechanization

- 2.1 Establish an integrated agro-processing program with access to utilities (e.g., powered by green energy) to add value and reduce losses
- 2.2 Support scaling of equipment leasing and sharing schemes that provide farmers access to modern farming equipment (e.g., tractors, planting tools) and increase productivity

③

Infrastructure

- 3.1 Scale water management programs that focus on efficient water use and irrigation technologies (e.g. solar-powered) to ensure water supply for farming during dry season
- 3.2 Develop integrated storage program to reduce PHL¹ by setting up warehouses, cold storage chains, and warehouse monitoring system at strategic locations, and providing warehouse financing

④

Emergency support

- 4.1 Set-up sub-fund to reserve percentage of earnings from investment portfolio to ensure liquidity and enable the Federal Government to quickly respond to agricultural related crises caused by natural disasters, pest outbreaks, or diseases

⑤

Cross-cutting

- 5.1 Enable the growth & strengthening of farmer associations (incl. cooperatives) via formalization, access to financial resources, educational opportunities, and expansive networksProvide
- 5.2 Collaborate with financial institutions and risk management/insurance entities to provide tailored financial resources for farmers that mitigate perceived risks

An aerial photograph of a lush green agricultural field, showing distinct rows of crops and winding paths. A large, semi-transparent dark green rectangle is overlaid on the left and center of the image, serving as a background for the text.

Thank you