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He is vast in managing projects across Resilience, Agribusiness, Nutrition, Policy & Advocacy, Environment, Governance and Social Inclusions. He is passionate on engagement of African smallholder farmers, youth and women in the achievement of the Peace Accord, Nutrition Security, Sustainable Development Goals (SDGs) and the African Union Agenda 2063. He has involved in development of National Policy on Food and Nutrition in Nigeria - 2016, the Charter of Berlin for heads of State in Development Countries, Germany - 2017, Sexual Harrassment Bill in Nigeria - 2020 and Nigeria Rice Development Council Bill, 2019. He is the CEO of Cedro Royal Multiventures www.cedroroyal.com and Cedro International Limited www.cedril.org as well as a non-governmental organization (NGO) called Green Future Builder Initiative (GFBI) www.greenfuturebuilderinitiative.org.

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The Editor-in-Chief,
African Journal of Food, Agriculture, Nutrition and Development (AJFAND),
Nairobi,
Kenya.

Dear Prof., Ruth.

LETTER OF AUTHORIZATION

I, Mr AREMU Fakunle John, the author of Policy Briefs titled “*Strengthening the Nigeria Sesame Seeds Value Chain: Opportunities, Challenges and Policy Options*” and “*Policy Constraints to Production, Processing and Marketing of Soybean in Kaduna State of Nigeria*” hereby writes to authorize the African Journal of Food, Agriculture, Nutrition and Development (AJFAND) to publish the two briefs as commentaries in her journal.

Thank you.

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AGRICULTURAL POLICY BRIEF



No. 01/2020.

POLICY CONSTRAINTS TO PRODUCTION, PROCESSING AND MARKETING IN SOYBEAN VALUE CHAIN IN KADUNA STATE, NIGERIA

AREMU Fakunle John*

Current Situations

Nigeria is one of the largest Soybean producers in the Sub-Saharan Africa; as the crop grows well in many states in the country and Kaduna is among the top producing States. Majority of the farmers are smallholder farmers with an average farm sizes of 1.5ha and yield mostly less than 1.0Mt/ha. Nigeria's annual average production is around 680,000 tons. This is approximately 25% of the country's national demand of 2.7 million tons. The deficit is met through imports from major global producers such as Argentina, Brazil and USA.

Soybean in Kaduna State

Kaduna State is known as one of the most important States in Nigeria for Soybean production. The State is blessed with abundance rainfall and soil conditions suitable for better yield. The presence of many grains markets in the State offers opportunities for bulk purchase while marketing agents see the state as a major destinations for the procurement of this special commodity.

References

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Similarly, the proximity of the State to Kano which is the center of commerce with Dawanau Market - the largest grain market in West African; presence of many small and medium soybean processing companies, provides an unprecedented demand for Soybean grains and its by-products in the State. Due to these abundance opportunities, multinational companies that sees soybean as a major commodity have their presence in Kaduna State. Among them is OLAM International Limited, an Agro-chemical Company with one of the largest feed mill processing plant in Nigeria with an annual Soybean processing capacity of more than 200,000Mt.

The Challenges

However, these numerous advantages are yet to be maximized due to several constraints that limits the efficiency of production, processing and marketing of Soybean in the State. Some of the constraints identified are (i) poor access to improved seeds in terms of availability, accessibility, and quality (ii) poor adoption of good agricultural practices (iii) limited availability of processing equipment and quality farm inputs (iv) Poor market structure and linkages (v) poor access to finance and price instability (vi) fragile policy implementation



Key Market Players in Nigeria Soybean Value

Poultry Industry: Soybean and maize play major roles in feed composition used in poultry industry. The two types of commercial farmers that occupies Soybean value chain in this industry: the integrated large farms that produce their own feed and the small farmers that purchase branded feed from specialized feed producers are both in constant demand for Soybean.

Edible Oil Industry: Soybean is one of the oilseeds with the highest oil content. It has up to 18.2% oil content in Nigeria. Extracted oil from Soybean is usually further processed and packaged for human consumption in domestic market. In Nigeria, groundnut is next in rank to Soybean in terms of oil content.

Fast Moving Consumer Goods (FMCG)
Companies: The FMCG companies made use of different derivatives of soybean such as oil, concentrates, girts and soybean flour.

Local Processing of Soybean: Local processing of soybean occurs in rural communities where soybean is processed into soybean soup, soybean cake, pap etc. Soybean is also used as a protein alternative in low-income households where complementary animal proteins such as fish, meat, egg, milk are not affordable. Soybean is also processed into soybean cheese and consumed with local dishes.

Some key players in the edible oil industry in Nigeria

- Grands Cereals Ltd,
- Sunseed Nigeria Ltd
- Sunola Pure Refined Soybean Oil by Sunola Food Limited
- Camela Vegetable Oil Co. Ltd
- Power Oil,
- Golden Oil Industries Ltd among others

Some key FMCG companies which use soybean derivatives include

- Nestle,
- Chi Limited,
- AACE Foods,
- Spectra Nigeria Ltd.

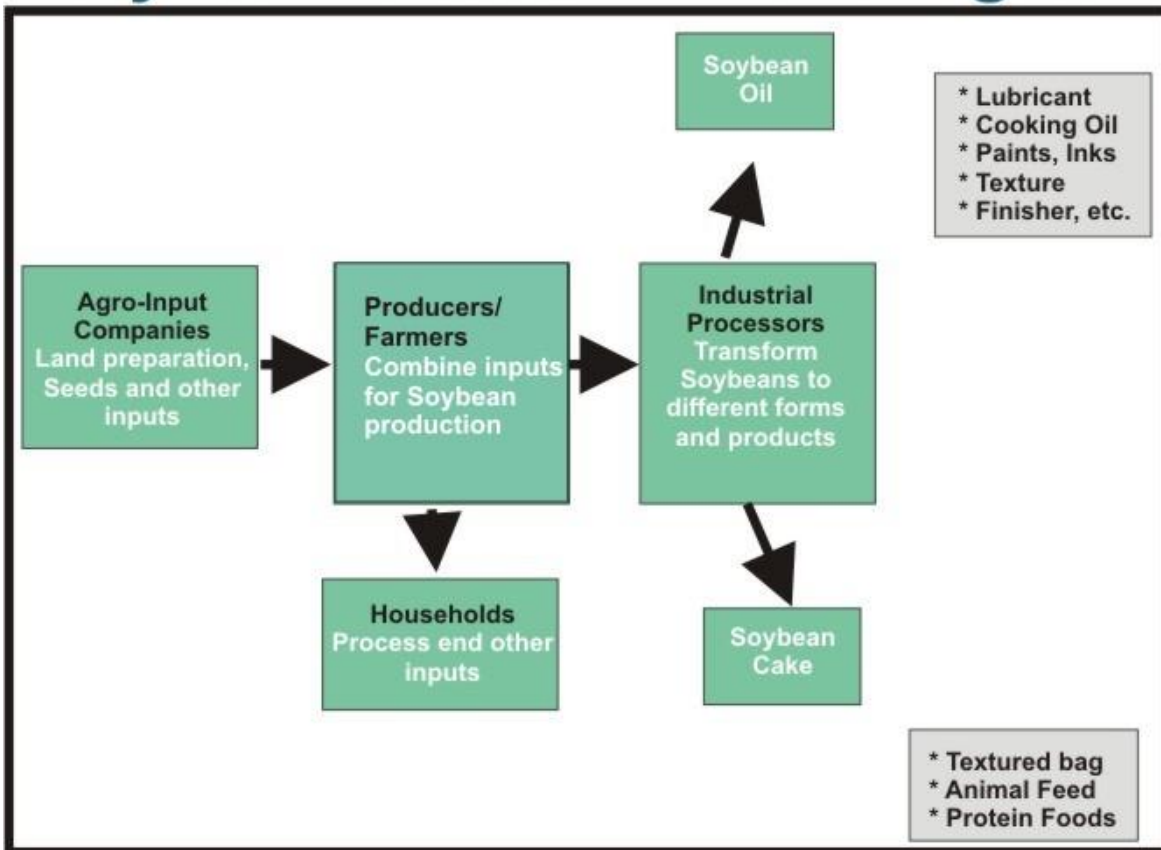
Some Integrated Farms & Companies in Nigeria Soybean value chain

- Amo byng Farm,
- Obasanjo Farms
- Anadariya Farms,
- Dayntee farms.

Some Soybean Processing Companies in Nigeria

- SALMA Oil Mills in Kano,
- Grand Cereals in Jos,
- ECWA Feeds in Jos,
- AFCOT Oil Seed Processors, Adamawa State,
- PS Mandrides in Kano.

Soybean Value Chain in Nigeria



Source: Author.

Government Initiatives to Increased Soybean Production

Agricultural Transformation Agenda Support Programme (ATASP)

In order to reduce import bill on Soybean, Nigeria launched some initiatives such as **State-sponsored Agricultural Transformation Agenda Support Programme (ATASP)** which targets sustainable increasing of incomes for smallholder farmers and rural entrepreneurs in the production, processing, storage and marketing of some selected commodity value chains including Soybean. This is one of the efforts to create a domestic market for Soybean in both raw and processed forms and hence trigger increased production in Soybean high producing States such as Kaduna, Benue, Adamawa, Kwara, Katsina, Taraba and Kano.

CBN Anchored Borrower Programme (ABP)

CBN Anchored Borrower Programme (ABP): Soybean is one of the major commodities under the Anchor Borrower Programme of the Federal Government of Nigeria whose aim is to create market linkage between anchor companies involved in the processing and smallholder farmers (SHFs) of the required key agricultural commodities. The program thrust of the ABP is provision of farm inputs to smallholder farmers to boost production of these commodities, stabilize inputs supply to agro-processors and address the country's negative balance of payments on food. With this, government works to reduce import bill on Soybean and increase local production

Policy Recommendations

A sustainable business networking platform that creates synergies between the public, private and donor agencies was recommended.

The following are specific policy recommendations to move the value chain forward in Kaduna State.

- There is a need to develop financial models that fits Soybean Value Chain and provide bespoke services to promote the value chain operators.
- Set modalities for Seed Sector development and intensified the use of quality seeds, including availability of and access to good quality seeds.
- Creation of seed industry in the State and building capacity of young seed breeders
- Lead and proactively identify markets for Soybean value chains that fits into the strategic investment plan of Kaduna State Government
- Create a private sector-oriented extension services solution that is suitable to Soybean value chain in Kaduna State
- Development of investment promotion services and products that will attract investors into Soybean value chain in Kaduna State
- Identify and recommend solutions to all post-harvest challenges in Soybean value chain in the State
- Improved seed varieties from the International Institute of Tropical Agriculture (IITA) and the National Cereal Research Institute (NCRI) IITA and business model by AGRA can be promoted for adoption by the actors in the value chain.
- Creation of action groups that will work with the Kaduna State Ministry of Agriculture to proffer practical solutions to challenges identified in the value chain. The action group will be led by an independent private sector expert – practitioner in the Kaduna State Soybean value chain

Conclusion

The Ministry of Agriculture should be supported in the development of a policy road map for Soybean sub-sector. The policy should drive cost efficient practices that will promote increase in profitability in the activities of the value chain actors in the State. Good Agronomic practices, adequate finance and investment as well as institutional strengthening across the Kaduna State economic landscape must be pursued.

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