



CENTRAL BANK OF NIGERIA

Welcome Address

At The

**Meeting With State Governors of
Cassava Producing States**

and

**Signing of the Memorandum of
Understanding Between:**

**Nigeria Cassava Growers Association
and Large Scale Cassava Processors**

November 21, 2019

Protocol

- 1. Good afternoon ladies and gentlemen, and thank you for honouring our invitation to this important meeting, where we will be discussing our plans, aimed at resuscitating the cassava value chain in Nigeria. The importance of cassava as an agricultural commodity cannot be overemphasized as participants during the Fourth International Cassava Conference held in Cotonou, Benin Republic in June 2018 agreed that cassava is currently the 4th most important food crop in the world, after maize, wheat and rice and is grown on over 24 million hectares in 105 countries in**

the world with Nigeria as the leading producer.

2. Cassava represents one of the most important economic crops in the world. Today, the world market for the commodity is one of the most dynamic with the volume of production and foreign trade growing steadily. Nigeria is the largest producer ; producing about 53.0 million MT in 2018 but with a very low average yield of about 7.7 MT per hectare as compared to 23.4 MT and 22.2 MT per ha in Indonesia and Thailand respectively.

3. Statistics however, show that out of the 53.0 million MT of cassava produced in Nigeria annually; more than 90% is

processed into food for human consumption whereas a significant industrial demand exists for the output of processed cassava, primarily as substitute for imported raw materials and semi-finished products.

4. We are particularly interested in the cassava value chain because it is in line with President Muhammadu Buhari's economic diversification programme for Nigeria. This is because economic diversification is an essential tool for national development and we are leaving no stone unturned towards repositioning Nigeria on the map of the world not just as the leading cassava producer but a processor as well. Compared with any other country of the world,

Nigeria has one of the best climate and land resources to produce and process sufficient cassava; good enough; not only for consumption, but also for industrial use and export as the country enjoys both absolute and comparative advantage in producing the commodity.

5. Your Excellencies, ladies and gentlemen, the nation is blessed with several varieties of cassava that can be explored to optimum potential. However, there is need to adopt improved varieties and practices that would guarantee better yield, better processing efficiency, increased profit and improved standard of living for our farmers. In achieving this goal, we are holding

consultations with the International Institute for Tropical Agriculture (IITA), Ibadan and the National Root Crops Research Institute, Umudike.

6. May I also draw your attention to the fact that aside from foreign exchange conservation, increasing cassava production is a necessity as starch, glucose, sorbitol and other products currently being imported proffers no future for the nation in the long-term, in view of the fact that Nigeria imports cassava derivatives valued at over \$600m annually.

7. Permit me to share with you the gap and potential demand that exists in our cassava value chain:

- **Demand for High Quality Cassava Flour (HQCF) in bread, biscuits and snacks is above 500,000t annually while supply is below 15,000t**
- **Demand for cassava starch is above 300,000t annually while supply is below 10,000t**
- **Demand for cassava-based constituents in sugar syrup is above 350,000t annually while supply is almost nonexistent**
- **Potential demand for ethanol in Nigeria as a fuel for cooking, to power vehicles (E10), and other industrial uses exceeds 1 billion litres, while production is nearly zero**

8. It was on this premise that we included cassava in the FX exclusion list to salvage the industry, encourage farmers to go back to their farms to boost jobs creation and increase output and improve the capacity utilization of our processing companies. Although huge investments were made into the industry during the cassava bread initiative, the industry continues to suffer as a result of low yield varieties, poor farm practices, lack of good quality farm inputs, non-utilization of available cultivable lands, manual system of production, inadequate funding for small holder out grower schemes and low processing capacity. To ameliorate these challenges, and in line with CBN's developmental initiatives, the

Bank is intervening in the sector through a complete value chain approach. This will involve support to the Nigeria Cassava Growers Association at the production level under the ‘Anchor Borrowers’ Programme (‘ABP’) and support to Large Scale Cassava Processors under the CACS and DCRR programs.

9. In line with the agenda of President Mohammadu Buhari of ensuring agricultural growth, the CBN is taking bolder steps in collaborating with the private sector, State Governments in Nigeria’s cassava producing areas and other stakeholders to join hands towards resuscitating Nigeria’s cassava sector. This

follows our game changing intervention in the rice value chain in Kebbi and other rice-producing States across the country that increased local rice production from 2.5 million tonnes in 2015 to 5.8 million tonnes in 2017 as well as cotton intervention with the flag-off of input distribution to 150,000 cotton farmers, cultivating 150,000 hectares in 23 States of the Federation. Currently the cotton planted by these farmers has begun fruiting and will soon be ready for harvest and off-take from December 2019.

10. We place a high premium on cassava because the commodity can generally be used for different uses along the value

chain. The value chain has enormous potential for employing over 2 million people in Nigeria if well harnessed, due to the diverse secondary products that it offers. Some of the products include High Quality Cassava Flour (HQCF), Starch, Sugar Syrups & Sweeteners, Chips – for domestic livestock feed and for export to China, Ethanol/bio-fuels, High Fructose Cassava Syrup (HFCS), Fuel Ethanol (E10) as well as Animal Feed from cassava waste among others.

11. In our midst today are large corporations like Nestle, Flour mills, Promasidor , Unilever who require the secondary outputs from cassava such as

starch, glucose, sorbitol etc as raw materials for the production of their final products. We also have the companies whose responsibility is the processing of casava to starch, glucose, ethanol etc as well as members of the Casava farmers' association. The other very important stakeholder present here today are State Governors and their representatives whose primary responsibility is making land available particularly to our unemployed teaming youths to embrace cassava production and processing in Nigeria. Our presence here today is therefore an indication of our commitment to revitalize cassava production and processing by encouraging private sector investors to

participate in the Nigerian economy. Through this initiative, you will agree with me that employment opportunities can be boosted in Nigeria, and industrial output can be accelerated for the good of Nigeria. The stakeholders in this gathering have all it takes to positively transform the status of cassava production and processing in Nigeria. I want to confirm in absolute terms the CBN's preparedness to reverse the current trend in line with our commitment to social investment by partnering with the major stakeholders towards developing a blueprint that would facilitate the development of Nigeria's cassava value chain on a sustainable basis.

12. Our approach is to bring all stakeholders together and agree on a framework for modern production and processing of cassava by ensuring that we identify and tackle all major challenges in the value chain from seedlings production, land clearing, planting, harvesting, processing, marketing and provision of extension services among others.

13. Towards consolidating on the gains of our earlier efforts, we will be witnessing the signing of a Memorandum of Understanding between; Nigeria Cassava Growers Association and Large Scale Cassava Processors to guarantee steady

off-take and processing of cassava in Nigeria going forward

14. We believe that these steps which we are embarking on today, will not only resuscitate this vital sector, but it will also help support our efforts towards creating jobs for a large number of Nigerians.

15. In closing, I find it expedient to express my sincere thanks to President Muhammadu Buhari for creating the enabling environment for us to implement this and other policies as well as State Governors here present for their continued support over the years in all our programmes. I also thank the members of Nigeria Cassava Growers Association and

Large Scale Cassava Processors for their support in making the MOU signing a reality.

16. I thank you all for being part of this worthy partnership as we pursue this national mandate of reviving our cassava industry.

**GODWIN I. EMEFIELE, *CON* Governor,
Central Bank of Nigeria**

November 21, 2019